

Appendix A

2003-2005 Supplemental Budget Proviso (ESHB 2459) Section 33

The 2003-2005 Supplemental Budget (ESHB 2459) passed by the Washington State Legislature and signed into law by the Governor in 2004, provides for an annexation study in six counties (King, Pierce, Snohomish, Kitsap, Thurston, and Clark). The proviso states:

(33) \$60,000 of the general fund – state appropriation for fiscal year 2005 is provided solely for a study under (a) through (i) of this subsection. Expenditure of this amount is contingent upon a \$60,000 match from a county with a population exceeding one million. The department shall conduct a study to:

(a) Detail the progress in each of the buildable land counties to date in achieving annexation or incorporation of its urban growth area since adoption of the county's county-wide planning policies to the present time by documenting:

(i) The number of acres annexed;

(ii) The number of acres incorporated;

(iii) The number of residents annexed, incorporated, and remaining in urban unincorporated areas; and

(iv) The characteristic of urban land remaining unincorporated in terms of assessed value, infrastructure deficits, service needs, land use, commercial development, and residential development;

(b) Determine the characteristics of remaining urban unincorporated areas and current statutes, and estimate when all urban unincorporated areas in each county will be annexed or incorporated, based on the rate of progress to date;

(c) Survey the counties to identify those obstacles which, in their experience, slow or prohibit annexation;

(d) Survey the cities in each of the subject counties to identify obstacles, which in their experience, slow or prohibit annexation;

(e) Survey residents of urban unincorporated areas in each of the subject counties to identify their attitudes towards annexation or incorporation;

(f) Propose possible changes to city and county taxing authority which will serve to aid the transfer of annexation of remaining urban growth areas in a timely manner;

(g) Identify and discuss the need for funding of capital improvement projects needed to provide urban levels of service;

(h) Assess the role and statutory authority of the boundary review board and how altering their role and authority might facilitate annexation; and

(i) Propose possible changes to growth management or annexation processes which will facilitate annexation.

The department shall report to the local government committees of the Legislature no later than December 1, 2004.

If a county does not wish to participate in this study, the county administrative officer shall submit those intentions, in writing, to the department no later than July 1, 2004.

Appendix B

H-4455.1

HOUSE BILL 3068

State of Washington

58th Legislature

2004 Regular Session

By Representatives Clibborn and Romero

Read first time 01/27/2004. Referred to Committee on Local Government.

AN ACT Relating to annexation; and creating new sections.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

NEW SECTION. **Sec. 1)** The state's growth management act recognizes counties are the logical provider of regional services and cities are the preferred provider of local services within the urban growth area. This delineation of service roles is meant to ensure that government services are provided in an efficient and effective manner and is reflective of the fact that cities have more revenue tools available to them to provide urban services than do counties. Pursuant to the growth management act planning requirements set forth in RCW 36.70A.110, counties are required to establish urban growth areas in collaboration with cities.

In order for urban growth areas to become part of an existing city, counties, cities, and residents are highly reliant on one tool: Annexation. Though state law provides

for various methods of annexation, there are many factors which prevent or delay annexation from occurring.

The transition of urban growth areas to incorporated status is fundamental to achieving the land use and service vision contemplated by the growth management act, and enabling counties to focus on their long-term role as regional service provider and rural service provider. Therefore, it is in the best interest of the state, counties, cities, and their residents to study the progress of annexation in the key urban counties of the state and to identify both barriers and incentives to achieving full annexation or incorporation of the urban areas in these counties.

NEW SECTION. **Sec. 2)** Subject to legislative funding, the department of community, trade, and economic development shall conduct a study to:

(1) Detail the progress in each of the buildable land counties to date in achieving annexation or incorporation of its urban growth area since adoption of the county's county-wide planning policies to the present time by documenting:

- (a) The number of acres annexed;
- (b) The number of acres incorporated;
- (c) The number of residents annexed, incorporated, and remaining in urban unincorporated areas; and
- (d) The characteristic of urban land remaining unincorporated in terms of assessed value, infrastructure deficits, service needs, land use, commercial development, and residential development;

(2) Determine the characteristics of remaining urban unincorporated areas and current statutes, and estimate when all urban unincorporated areas in each county will be annexed or incorporated, based on the rate of progress to date;

(3) Survey the counties to identify those obstacles which, in their experience, slow or prohibit annexation;

(4) Survey the cities in each of the subject counties to identify obstacles, which in their experience, slow or prohibit annexation;

(5) Survey residents of urban unincorporated areas in each of the subject counties to identify their attitudes towards annexation or incorporation;

(6) Propose possible changes to city and county taxing authority which will serve to aid the transfer of annexation of remaining urban growth areas in a timely manner;

(7) Identify and discuss the need for funding of capital improvement projects needed to provide urban levels of service;

(8) Assess the role and statutory authority of the boundary review board and how altering their role and authority might facilitate annexation;

(9) Propose possible changes to growth management or annexation processes which will facilitate annexation.

NEW SECTION. **Sec. 3)** The study in section 2 of this act is not intended to replicate the requirements to review and evaluate growth as set forth in RCW 36.70A.215.

NEW SECTION. **Sec. 4)** The department of community, trade, and economic development shall report the findings and results of its study to the Washington state senate and house of representatives committees on economic development by November 30, 2004. The department of community, trade, and economic development may report electronically, and shall post its report on its web site.

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Appendix C

Characterizations of the Unincorporated Urban Growth Areas in Clark, King, Kitsap, Pierce, Snohomish, and Thurston Counties

Appendix C.1

Clark County Unincorporated Urban Growth Area Characterization

Overview

Clark County contains seven cities and towns, each with an unincorporated urban growth area (UGA).¹ The total unincorporated UGA comprises 40,669 acres or 63.55 square miles. The general location of the unincorporated UGA, in ascending order by approximate size is:

1. Adjacent to Yacolt, La Center, Ridgefield, Washougal, and Camas.
2. Adjacent to Battleground.
3. Adjacent to Vancouver.

The 2004 estimated unincorporated UGA population is 126,134, with an overall population density of about 3.1 persons per acre. Figure A shows the location of jobs in the county.²

According to county data, an approximate breakdown of land use by category is listed in the following table:

CLARK COUNTY UNINCORPORATED UGA LAND USE		
CATEGORY	ACRES (est.)	PERCENT
Residential	18,362	45
Commercial	3,331	8
Industrial	4,412	11
Other	5,074	12
Vacant	9,490	23
TOTAL	40,669	100

Source: Clark County, 2004

All numbers are rounded to nearest whole number.

The data indicate that approximately two-thirds of the unincorporated UGA is currently developed with some land use other than roads. About 70 percent of existing development is in residential use. Commercial and industrial land, which typically generates greater revenue than it costs to serve, constitutes the remaining 30 percent. The 2003 unincorporated UGA's total assessed value is \$8,695,329,039, equating to about \$213,806 per acre of total acreage.

¹ Under the GMA (RCW 36.70A.110), all incorporated cities and towns are included in the UGA. In addition, counties may designate additional territory outside of cities and towns to accommodate projected population growth for the next 20 years. These designated urban areas outside of cities and towns are referred to as the "unincorporated UGA."

² Data provided by the Washington State Employment Security Department: some data omitted to preserve confidentiality.

There are about 3,953 acres of constrained land within the unincorporated UGA. The City of Vancouver's critical areas maps show that there is a significant area of wetlands and hydric soils within its unincorporated UGA. Attribute data from the Clark County critical areas maps are not sufficiently detailed to provide a characterization of conditions within the other unincorporated UGAs.

All Clark County unincorporated UGAs are assigned to specific cities. At about 31,000 acres, Vancouver has the largest unincorporated UGA, with about 77 percent of the total unincorporated UGA area and about 90 percent of the existing unincorporated UGA population. Annexation of the entire Vancouver unincorporated UGA would more than double the city's current area. Battle Ground and Ridgefield have the only other unincorporated UGAs of significance relative to their current size. The size of the unincorporated UGA relative to current size may affect the rate of absorption of annexation areas into a city, depending on the degree to which urban services are currently provided by the cities to their unincorporated UGAs.

Clark County has designated the unincorporated UGAs for the cities as follows:

Yacolt:	Urban Low Density Residential, Light Industrial, Public Facility, and Parks/Open Space
La Center:	Urban Low Density Residential, Public Facility, and Parks/Open Space
Ridgefield:	Urban Low Density Residential, Mixed Use, Office Park/Business Park, and Parks/Open Space
Washougal:	Urban Low Density and Parks/Open Space
Camas:	Urban Low Density Residential, Urban Medium Density Residential, Public Facility, Office Park/Business Park, and Parks/Open Space
Battle Ground:	Mixed Use/Employment, Mixed Use/Residential, Office Park/Business Park, Industrial, Urban Medium Residential, Airport, Public Facility, and Parks/Open Space
Vancouver:	Vancouver's unincorporated UGA is designated for a wide range of commercial, industrial, residential, and public land uses

Urban Services

All of Clark County is within the service area of a water system purveyor. The cities of Battle Ground, Ridgefield, Washougal, Camas, and Vancouver have their own water systems. Only Yacolt and La Center are serviced by Clark Public Utilities (CPU), a publicly owned utility. The cities with water systems generally serve a larger area than the existing city limits. However, certain areas of the unincorporated UGA are currently served by CPU. According to the *Clark County Comprehensive Plan*, whether CPU will continue to provide service within these cities following annexation will need to be negotiated in the next update to the Clark County Coordinated Water System Supply Plan.

Like water, sewer service provided to the urban areas is generally expected to be by the jurisdiction associated with each unincorporated UGA. The exceptions are the northwest portion of Vancouver's unincorporated UGA, where service is provided by the Hazel Dell Sewer District for collection and conveyance, and La Center, which is served by CPU. For unincorporated UGA expansion areas, sewer service is not available now. The

provision of treatment capacity in some areas may represent a constraint in the timing of urban development.

The Vancouver Parks and Recreation Department owns and maintains 1,647 acres of parkland within the unincorporated UGA. This number includes Salmon Creek Greenway and Salmon Creek Regional Park. This equates to a level of service (LOS) of about 13 acres of park per 1,000 residents. In the unincorporated portion of the Vancouver UGA only, the number that represents only those area assigned to the Urban Park System is 895 acres, which represent approximately 8 acres/1,000 population. Most of this area is unimproved.

Clark County uses average peak hour travel speed on selected arterial corridors as an indicator of LOS. The lowest tier for Clark County is 13 m.p.h. In addition, LOS standards are applied to intersections within designated corridors. Clark County has identified roadways with existing deficiencies relative to the LOS standards, primarily on or near the major state highways in the Vancouver urban area. The county has stated that it is committed to correcting deficiencies on county roadways within its jurisdiction over time.

Forty-eight Sheriff's officers patrol the entire unincorporated UGA. This is less than 0.4 officers per 1,000 residents, and represents a very low LOS relative to city staffing levels, which are generally three to five times greater.

Annexation History

Clark County adopted its county-wide planning policies in 1992. According to the Office of Financial Management (OFM), cities annexed 76,244 residents and 23,077.98 acres of land between 1992 and 2000.³ It should be noted that a significant portion of this, 11,258 acres and 58,171 residents, was from a single annexation to Vancouver in 1997. OFM reports that Clark County cities have annexed a total of 631 unincorporated residents and about 809 acres of land between April 2000 and April 2004. Total population annexed by cities since 1992 is 76,875 and total land area annexed during that period is 23,887 acres. The annual average during that 11-year period is 2,172 residents and 6,989 acres, although the large Vancouver annexation skews the average.

³ CTED is directed to "detail the progress in each of the buildable lands counties to date in achieving annexation or incorporation within its urban growth area since adoption of the county's county-wide planning policies to the present time." (ESHB 2459 (33)(a).

The following table lists acreage by effective year of annexations for each city since adoption of the *Clark County County-Wide Planning Policies* in 1992.

CLARK COUNTY ACRES ANNEXED BY CITY & YEAR 1992 - May 2004							
YEAR	CITY						
	Battle Ground	Camas	La Center	Ridge-field	Vancouver	Washougal	Yacolt
2004	0	198	0	0	298	0	0
2003	0	0	24	0	0	0	0
2002	0	0	11	0	0	34	0
2001	181	0	0	0	0	59	0
2000	160	0	0	0	0	8	0
1999	0	0	0	0	0	157	0
1998	23	0	0	1,846	5	0	0
1997	63	673	2	0	11,578	90	0
1996	297	0	2	0	302	724	0
1995	64	0	0	63	1,239	620	0
1994	147	0	13	0	2,443	15	0
1993	0	0	231	684	1,624	1	10
Total:	935	871	283	2,593	17,489	1,708	10

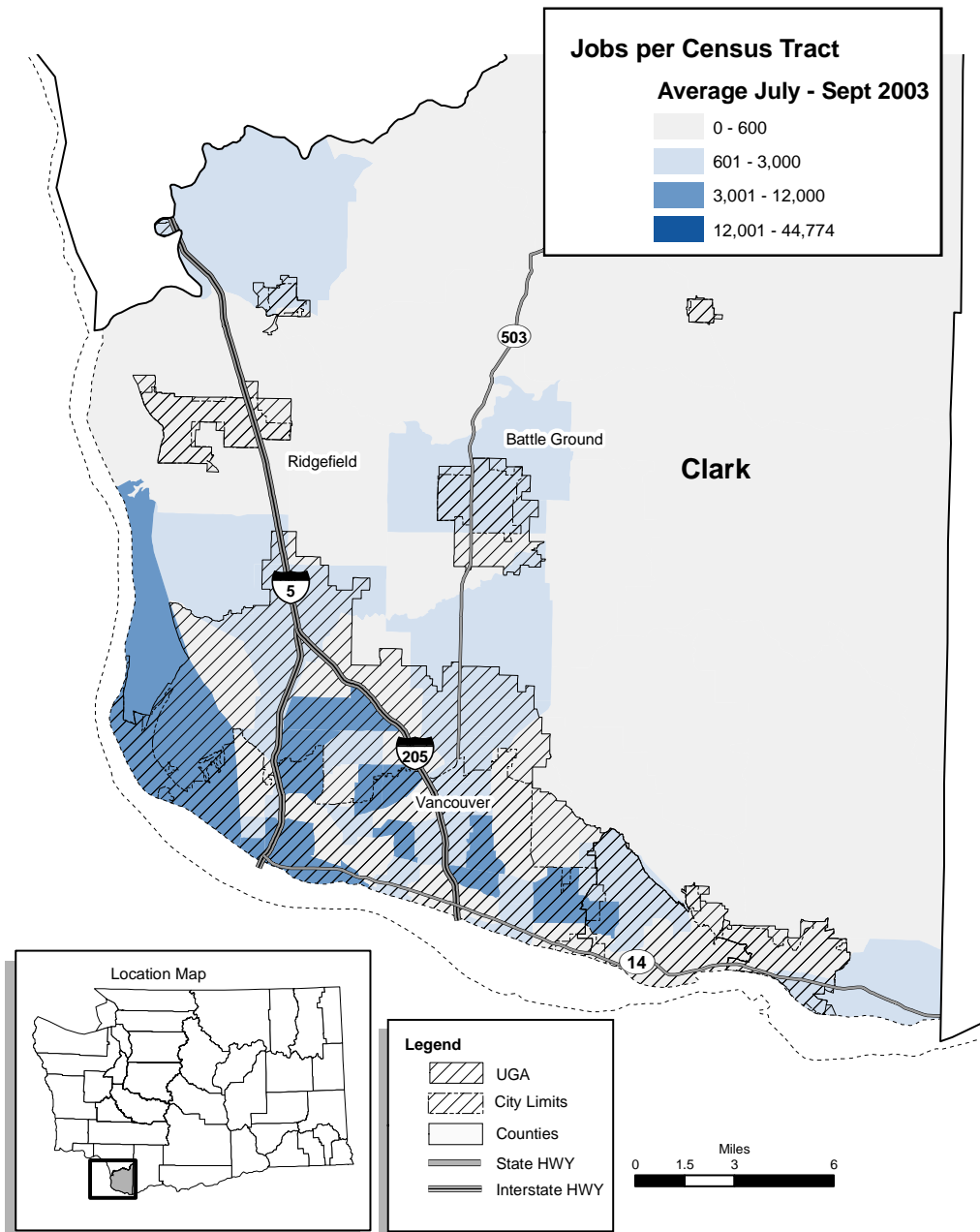
Source: OFM, 2004

All numbers are rounded to nearest whole number. No annexations were approved in 1992 following adoption of the county-wide planning policies

Conclusions

All of the unincorporated UGA in Clark County has been assigned to a specific city. Some of the cities have been more successful at annexing territory within their respective unincorporated UGA. While the cities have annexed significant area and population, most of the annexation activity occurred prior to 1999. The majority of the Vancouver unincorporated UGA is already developed; however, other cities' unincorporated UGAs are primarily undeveloped or developed at very low densities. According to the information provided by the county, only 20 percent of the total area is vacant. Much of the unincorporated UGA either receives urban services or the associated cities have planned for service with development of the areas. Receipt of services from the cities is a potential incentive for annexation. Since the majority of the unincorporated UGA and its population are assigned to Vancouver, the ability of the city to absorb the population and expand its ability to deliver services not currently provided may be a significant factor in phasing annexation.

Urban Growth Areas 2004



washington state department of
community, trade and economic development

GMS / GIS Nov 2004

Figure A. Location of Jobs in Clark County by Census Tract

Appendix C.2

King County Unincorporated Urban Growth Area Characterization

Overview

Most of King County's overall urban growth area (UGA) lies in a contiguous area in the western portion of the county. Within this UGA, the unincorporated UGA consists of a number of separate islands and peninsulas of unincorporated territory. Ten of the larger communities have been designated as major "potential annexation areas" (PAAs). These PAAs are the focus of the county's current annexation initiative, which seeks to facilitate annexation of the areas within the 20-year planning horizon (2012) envisioned by the county-wide planning policies.

In addition to the major PAAs, there are numerous other small, unincorporated islands, about 60 of which are less than 100 acres. These include tiny islands of territory skipped over during earlier annexations or incorporations that are difficult for King County to continue to serve. Some but not all of these islands are claimed by an adjacent city. Most are residential, although several have parks or other open space uses.

The unincorporated UGA as a whole covers about 81 square miles with a population of about 219,000 in 2004. At over four persons per acre, King County's unincorporated UGA has the highest residential density of the six buildable lands counties. Over 90 percent of the total unincorporated UGA population resides in the ten target PAAs. Figure B shows the location of jobs in the county.⁴

Although a specific breakdown of land uses is not available, King County provided a description of each of the ten major unincorporated UGA areas.

East Federal Way Potential Annexation Area

Located east of Interstate 5 and the City of Federal Way, this area comprises most of the remaining urban-designated land between Federal Way, Auburn, and the Pierce County line. The East Federal Way PAA has a 2004 population of about 21,500 and consists mostly of single-family residential neighborhoods, including many recent subdivisions. There are a number of small lakes surrounded by older houses on pie-shaped lots. Single-family units comprise about 84 percent of the housing stock. Utility services are provided by county districts.

East Renton Potential Annexation Area

Located east of the City of Renton, north of the Cedar River, the East Renton PAA encompasses most of the remaining UGA on the plateau east of Renton. East Renton has about 7,500 persons in chiefly single-family neighborhoods. Only 2 percent of the units

⁴ Data provided by the Washington State Employment Security Department: some data omitted to preserve confidentiality.

are multifamily. Most of the area is without sewer service, and the only option for sewers is annexation to Renton. Utility connection has been the impetus for much of the annexation activity in the area in recent years.

Eastgate Potential Annexation Area

Eastgate is an island of unincorporated area entirely surrounded by the City of Bellevue, south of Interstate 90. The area is almost entirely residential, and has 4,600 residents. The City of Bellevue provides utility service to the area.

Fairwood Potential Annexation Area

The largest of the ten major PAAs, Fairwood is located southeast of Renton and northeast of Kent. The area is bounded by the urban growth boundary on the east and Lake Youngs Watershed on the southeast. The county, with the assistance of a community group, completed a governance study in 2000 for this area. The governance study analyzed annexation to Renton and incorporation options. Fairwood's population as of 2004 is about 41,500. There are large subdivisions of single-family homes, but almost 30 percent of the housing units are multifamily. The Fairwood shopping center and Benson commercial area contain some retail and service land uses. The PAA had about 3,800 jobs at some 460 employers in 2000. Utility services are provided by utility districts.

Kent Northeast Potential Annexation Area

The Kent Northeast area is located east of the City of Kent, on the west plateau of Soos Creek. To the north is the large unincorporated area of Fairwood, part of the City of Renton's PAA. Kent Northeast includes the communities of south Benson Hill and Panther Lake as well as neighborhoods near Soos Creek Park. Primarily a single-family residential area, the Kent Northeast PAA had 23,300 residents in 2000. There are some retail and service uses along the Benson Highway corridor, and several schools. Utility services are provided by a district.

Kirkland Potential Annexation Area

The City of Kirkland's PAA is comprised of the Finn Hill, Juanita, and Kingsgate neighborhoods. This large PAA is a portion of an unincorporated island located north of the City of Kirkland, and south of the cities of Kenmore, Bothell, and Woodinville. The City of Bothell has a small PAA that abuts the Kirkland PAA. In 2001 and again in 2002, the City of Kirkland, with the assistance of the county, completed an annexation fiscal analysis. With a population of 32,600 in 2000, this is among the largest PAAs. Large subdivisions of single-family homes make up most of the land use, but about 20 percent of the housing units are multifamily. The Kirkland PAA has 5,000 jobs in about 500 establishments with employees in a variety of sectors. Utility services are provided by districts.

Klahanie Potential Annexation Area

Klahanie, located on the southeast corner of the City of Sammamish and the northeast corner of the City of Issaquah, is a fully built-out community of 11,000 residents. The City of Issaquah, which has claimed the entire area as a PAA, issued an annexation feasibility study in February 2004. The study identified one-time costs to the city of about \$2,856,000, and an estimated annual operating shortfall of \$1,059,000, if annexation occurs. Capital funds generated by the area were anticipated to exceed costs by about \$443,000.

The PAA is almost entirely residential; almost one fourth of the housing units are multifamily. Klahanie has the highest residential density of the King County PAAs at about 3.1 units and 8.9 persons per gross acre. Almost 60 percent of households in the area are at or above 140 percent of county median income. Utility services are provided by a district.

Lea Hill Potential Annexation Area

Lea Hill is located directly east of the City of Auburn and south of the City of Kent. The City of Auburn annexed a portion of Lea Hill in March 2000, which brought an additional 2,700 persons into the city. Although Auburn completed an annexation feasibility study in early 2003, it is unclear when the city will resume annexation of this area. The remaining part of Lea Hill has 9,500 residents, primarily in single-family homes. Green River Community College is the area's largest employer, with nearly 1,000 jobs. The area receives utility services from Auburn.

North Highline Potential Annexation Area

North Highline, including White Center and Boulevard Park, is one of the largest remaining unincorporated areas in King County. It has one of the most ethnically diverse populations in King County – barely half of its 32,500 residents are non-Hispanic white. Over 50 percent of area households earn less than 80 percent of county median income. In 1999, the county, with the assistance of a community advisory group, completed a governance study for the area. In 2001, the county and City of Burien partnered on an annexation feasibility study, which assessed the fiscal impact to the city if it were to annex the lower third (South of 116th Street) of the community. Although there has been sporadic interest in this area, none of the adjacent cities of Burien, Seattle, Tukwila, or SeaTac currently claim any portion of this community as a potential annexation area via their respective comprehensive plans. North Highline has the largest business community of any PAA, with 6,700 jobs at 730 business establishments. The land use pattern of small houses on small lots was established in the 1940s and 1950s. Gross density is about 3.1 units per acre and one-third of the 12,000 housing units are multifamily. Seattle provides water service to a portion of the area. Outside Seattle's service area, water is provided by districts. All sewer service is through districts.

West Hill Potential Annexation Area

West Hill is an unincorporated island bordering the southern end of Lake Washington, and surrounded by the cities of Seattle, Renton, and Tukwila. It was at one time within Renton's potential annexation area. The area is primarily residential and is supported by a dwindling number of older commercial firms. West Hill has about 14,200 residents in 2004. This community has several areas which lack sewer service. Utilities are provided by two water and sewer districts.

Assessed Value

The unincorporated UGA's total assessed value is \$20,148,700,000, or about \$388,971 per acre. This is the highest average assessed value of any of the buildable lands counties. Among the potential annexation areas, per acre assessed values range from about \$242,000 to over \$920,000.

No data are available to quantify the amount of environmentally constrained land within the unincorporated UGA.

Urban Services

Except in limited areas such as portions of the West Hill and East Renton PAAs, it appears that utility services are generally available. These services appear to be primarily provided by utility districts rather than adjacent cities.

King County has an adopted LOS E for roadways in the unincorporated UGA. The county does not currently have funding for transportation capacity projects.

The county currently has 4,373 acres of parkland in the unincorporated UGA. This equates to a LOS of about 20 acres per 1,000 residents.

Annexation History

King County adopted its county-wide planning policies in 1992. King County cities annexed 75,393 residents and 22,014 acres of land between 1992 and 2004. The City of Kent accounts for over one quarter of the acreage and a higher percentage of the residents with two annexations totaling over 5,000 acres. Of King County's 39 cities, 16 have had no annexations since 1992.

The following table lists acreage by effective year of annexations for each city since adoption of the county-wide planning policies in 1992:

KING COUNTY ACRES ANNEXED BY CITY & YEAR 1992 - May 2004														
CITY	YEAR													
	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	Total
Algona	0	0	2	0	0	0	0	0	0	0	0	0	0	2
Auburn	0	9	66	38	0	14	7	0	481	5	91	37	1	749
Bellevue	132	1,534	235	302	15	0	16	53	9	539	6	26	52	2,919
Black Diamond	0	784	786	0	0	0	0	0	0	0	0	0	0	1,570
Bothell	28	8	51	2	11	6	16	0	10	0	0	0	0	132
Burien	0	0	0	0	0	0	283	0	0	0	0	0	0	283
Carnation	0	29	0	0	43	0	1	0	31	0	0	0	0	104
Des Moines	0	329	0	229	0	897	0	0	100	0	0	0	0	1,555
Duvall	28	0	13	192	143	33	10	38	1	0	11	0	0	469
Enumclaw	0	0	15	7	0	0	0	0	0	0	0	0	0	22
Federal Way	0	0	700	0	0	0	72	46	1	0	0	0	0	819
Issaquah	0	0	33	0	1,673	0	0	21	1,024	40	0	414	0	3,205
Kent	0	187	679	216	3,373	1,469	0	63	0	267	0	10	0	6,264
Lake Forest Park	0	26	645	887	0	69	48	1	0	0	0	0	0	1,676
Milton	0	0	30	0	0	0	0	22	0	0	0	0	0	52
Newcastle	0	0	0	0	0	42	0	0	0	0	0	0	0	42
Redmond	1	30	128	429	129	0	31	0	5	29	0	34	18	834
Renton	13	0	129	39	23	3	0	211	85	120	0	9	9	641
SeaTac	0	0	0	0	0	9	0	0	0	0	0	0	0	9
Shoreline	0	0	0	0	0	183	190	103	0	0	0	0	0	476
Snoqualmie	0	0	0	0	0	0	0	10	0	0	0	0	0	10
Tukwila	0	172	0	0	0	0	0	0	0	0	0	0	0	172
Woodinville	0	0	11	0	0	0	0	0	0	5	2	0	0	18
Total	202	3,108	3,523	2,341	5,410	2,725	674	568	1,747	1,005	110	530	80	22,014

Source: OFM, 2004

All numbers are rounded to nearest whole number.

King County Annexation Initiative

King County is currently taking an aggressive approach to annexations. The county council in 2004 approved a multiyear annexation initiative aimed at hastening the rate of annexation. This will be done in part by making funds available to the cities to offset the transition cost of annexing large areas. The county also funds annexation and incorporation studies.

Urban Growth Areas 2004

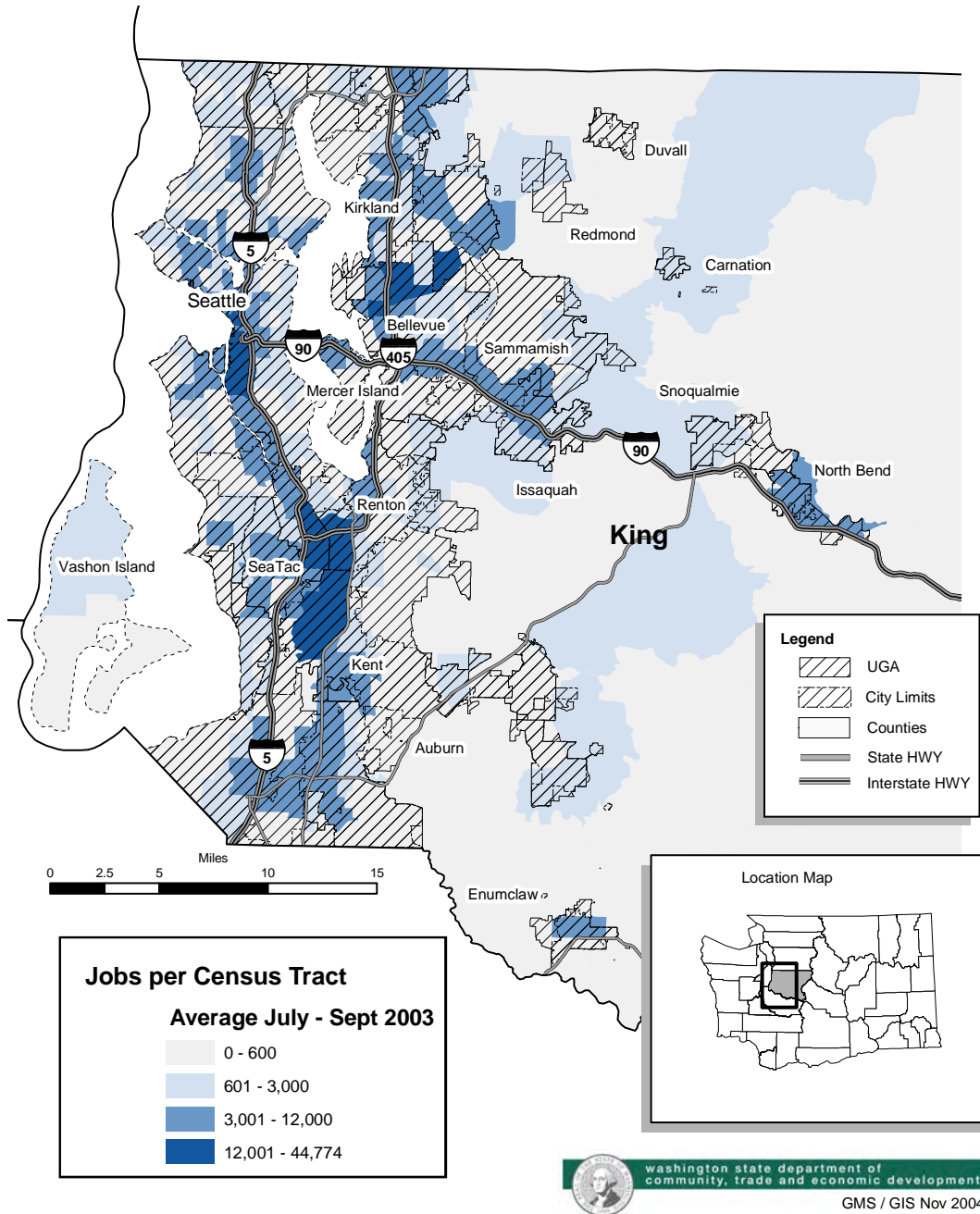


Figure B. Location of Jobs in King County by Census Tract

Appendix C.3

Kitsap County Unincorporated Urban Growth Area Characterization

Overview

Kitsap County contains four cities. All but one, the City of Bainbridge Island, have associated unincorporated urban growth areas (UGAs). There are also six unincorporated UGAs designated by the county but not currently assigned to a specific city. Unassigned areas include the unincorporated communities of Kingston and Silverdale, representing about 5,555 acres of the unincorporated UGA that are not adjacent to an existing city and therefore do not currently have annexation potential. These communities are more likely to incorporate as new cities than to annex. The total unincorporated UGA comprises 23,877 acres.

The general location of the unincorporated UGA, in ascending order by approximate size is:

1. Gorst UGA (169 acres).
2. Kingston UGA (1,143 acres).
3. Poulsbo UGA (1,263 acres).
4. Bremerton UGA (1,783 acres).
5. McCormick Woods (2,388 acres).
6. Port Orchard (2,803 acres).
7. South Kitsap Industrial Area (SKIA) (3,726).
8. Silverdale UGA (4,412 acres).
9. Central Kitsap UGA (6,191 acres).

The current estimated unincorporated UGA population is 64,161, with an overall population density of about four persons per acre. Figure C shows the location of jobs in the county.⁵

⁵ Data provided by the Washington State Employment Security Department: some data omitted to preserve confidentiality.

According to county data, an approximate breakdown of land use by category is listed in the following table:

KITSAP COUNTY UNINCORPORATED UGA LAND USE		
CATEGORY	ACRES (est.)	PERCENT
Residential	9,330	39
Vacant	3,760	16
Resource	3,578	15
Roads and water bodies	3,545	15
Public	2,135	9
Commercial	866	4
Industrial	662	3
TOTAL	23,876	100

The data indicate that approximately 55 percent of the unincorporated UGA, exclusive of road rights-of-way, is currently developed. Over two-thirds (72 percent) of the developed lands are in residential use. Commercial and industrial development, which typically generate greater revenue than it costs to serve, constitute very small proportions of the total acreage. The unincorporated UGA's total assessed value is \$3,802,142,586, about \$159,239 per acre of total acreage or \$187,012 per acre exclusive of roads and water bodies. The data do not indicate the density or intensity of existing development in areas identified as developed.

A significant amount, about 27 percent of the total unincorporated UGA acreage, is mapped environmentally constrained. Constraints include floodplain, wetlands, and geologically hazardous conditions. The geologically hazardous areas include "areas of concern" that may be available for development subject to site-specific geotechnical analyses.

Kitsap County has designated the unincorporated UGA for a wide variety of future land uses. Commercial designations occur throughout the unincorporated UGA, with the largest concentrations in the Kingston and Silverdale communities, north of Bremerton and south of Port Orchard. Industrial designations are principally in the western portion of the Silverdale UGA and south of Bremerton in the vicinity of Bremerton National Airport. Other unincorporated UGA designations are primarily residential at various densities.

Urban Services

The data provided by the county identified 1,244 acres of parks and recreation areas within the unincorporated UGA. These areas may not be entirely owned and maintained by the county or another public entity and therefore may not be available for general public use.

Of the 22,622 parcels within the county's unincorporated UGA, 75 percent either currently have sanitary sewer service or are within 200 feet of a main. Wastewater

service is provided by either cities or the county. Sixty-four percent of the unincorporated UGA parcels are connected to or within 60 feet of a water main. Water service is provided by cities and public utilities.

Kitsap County's transportation LOS for arterials is LOS D. LOS D is typical of most cities, including Bremerton. There are a number of roadway segments within the unincorporated UGA that are out of compliance with the adopted LOS. However, the county allows 15 percent of the arterial network to be out of compliance. The county as a whole is well above 85 percent compliance and Kitsap County has a number of transportation capacity projects planned.

No information is currently available on police staffing.

Annexation History

Kitsap County adopted its county-wide planning policies in 1992. Kitsap County cities annexed 1,450 residents and 2,773 acres of land between 1992 and 2004. The City of Bainbridge Island has incorporated the entirety of Bainbridge Island and therefore has no additional annexation potential.

The following table lists acreage by effective year of annexations for each city since 1993.

KITSAP COUNTY ACRES ANNEXED BY CITY & YEAR 1992 – May 2004				
YEAR	CITY			Totals By Year
	Bremerton	Port Orchard	Poulsbo	
2004	0	0	0	0
2003	0	13	55	68
2002	0	0	0	0
2001	0	16	0	16
2000	440	0	0	440
1999	0	0	0	0
1998	99	0	0	99
1997	138	264	9	411
1996	0	37	168	205
1995	1,092	0	0	1,092
1994	123	0	280	403
1993	39	0	0	39
Total:	1,931	330	512	2,773

Source: OFM, 2004

All numbers are rounded to nearest whole number. No annexations were approved in 1992 following adoption of the county-wide planning policies.

Conclusions

Kitsap County's unincorporated UGAs are two-thirds the land area of all four cities combined. Excluding the City of Bainbridge Island, which has no opportunity for expansion, the acreage of the unincorporated UGA exceeds that of the cities. The three cities contiguous to portions of the unincorporated UGA have annexed only a small percentage of the area in the last ten years and a total of less than 90 acres since 2000. The county has coordinated with the cities extensively in addressing future service provision and land use in portions of the unincorporated UGA through the Joint Planning Area process. The county held completion of this process precedent to annexation, which may have restricted annexation in some areas in recent years.

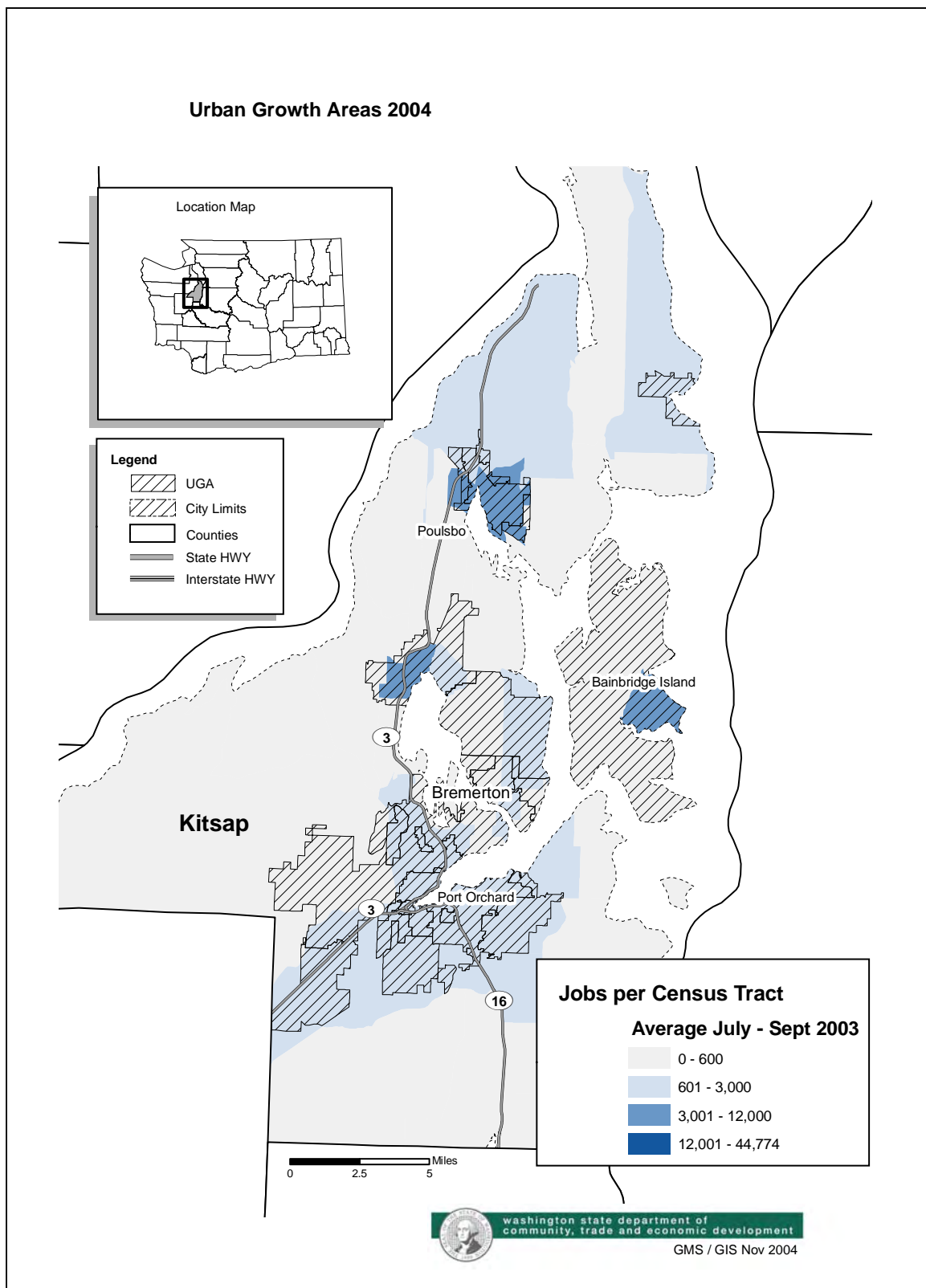


Figure C. Location of Jobs in Kitsap County by Census Tract

Appendix C.4

Pierce County Unincorporated Urban Growth Area Characterization

Overview

Pierce County contains 23 cities, 17 of which have associated unincorporated urban growth areas (UGAs). The large area that includes contiguous cities, their respective service areas, and the County's urban service area is referred to as the comprehensive urban growth area (CUGA). The CUGA includes everything but satellite cities (i.e., Bonney Lake, Orting, Eatonville, South Prairie, Roy, Buckley, and Gig Harbor) and their unincorporated UGAs that were not contiguous with the larger area when the CUGA was established.

Pierce County coordinated with cities to assign urban service areas in the CUGA, including an urban service area assigned to the county. These urban service areas are roughly equivalent to unincorporated UGAs as they have been described in this report. According to the county-wide planning policies, cities can annex within their unincorporated UGA and into portions of the CUGA, even if it is not assigned to that jurisdiction. The county assumes that some parts of the CUGA could be urban but remain unincorporated long term, beyond the 20-year planning horizon.

This county has primary responsibility for providing services in the CUGA and inclusion of such areas in the unincorporated UGA for individual cities requires an amendment to the *Pierce County Comprehensive Plan*. In addition to the CUGA, Pierce County contains 12,650 acres of designated Urban Military Lands including portions of Fort Lewis, McChord Air Force Base, and Camp Murray. The total unincorporated UGA comprises 52,951 acres.

The general location of the unincorporated UGA, in ascending order by approximate size is:

1. Unincorporated islands within and between jurisdictions.
2. Tacoma unincorporated UGA.
3. Pierce County urban service area.

The current estimated unincorporated UGA population is 169,864, with an overall population density of about 3.2 persons per acre. Figure D shows the location of jobs in the county.⁶

⁶ Data provided by the Washington State Employment Security Department: some data omitted to preserve confidentiality.

An approximate breakdown of land use by category is listed in the following table:

PIERCE COUNTY UNINCORPORATED UGA LAND USE		
CATEGORY	ACRES (est.)	PERCENT
Residential	25,365	48
Vacant	12,661	24
Other	12,247	23
Commercial	1,800	3
Industrial	776	1
TOTAL	52,849	100

Source: Pierce County, 2004

All numbers are rounded to nearest whole number.

The data indicate that from about half to three-quarters of the unincorporated UGA is currently developed. Two-thirds or more of the developed lands are in residential use. Commercial and industrial developments constitute very small proportions of the total acreage. The unincorporated UGA's total assessed value is \$11,064,000,000, about \$210,000 per acre overall. Factoring out the 12,650 acres of military lands, for which assessed values are not available, raises the average value to \$275,000.

About 11 percent of the total unincorporated UGA acreage is mapped as environmentally constrained. Constraints include wetlands and steep slopes. Pierce County has designated the unincorporated UGA primarily for residential uses with some commercial designations along transportation corridors. The county's urban service area also includes extensive employment area designations and a master planned community designation.

Urban Services

Pierce County provides regional park facilities. The park system is county-wide and is not based on urban growth areas. The county has a variety of park types at locations in rural areas, in the unincorporated UGA, and in cities, and provides facilities to meet county-wide LOS standards for each type. By policy, Pierce County land-banks sites for local area parks for assumption and development by local jurisdictions. The county requires parks and open space within subdivisions and developments as part of the approval process. Larger, more centralized neighborhood parks are encouraged, though not required, and these are typically privately owned.

The county reported that all areas of the unincorporated UGA are within a Group A water utility service boundary. Information on infrastructure deficits or the extent of existing systems is not available.

According to the Pierce County Unified Sewer Plan, most areas of the unincorporated UGA are within the service area of Pierce County or a city. There are service area gaps in several locations within the unincorporated UGA; the most significant of these is the large Cascadia CUGA south of Bonney Lake.

Pierce County's transportation LOS is based on a volume to capacity (V/C) ratio. The adopted standard for the unincorporated UGA is a V/C of 1.0. There are no capacity issues in any of the unincorporated UGAs associated with a city. However, the county has identified a number of roadway sections within the CUGA that do not currently meet the adopted LOS standard. Projects to address existing transportation system deficits are included in the 2004 to 2009 Transportation Improvement Program.

Pierce County has 75 full-time Sheriff's officers assigned to the unincorporated UGA, with an average of ten officers on duty at any time of day. This equates to a LOS of about 0.44 officers per 1,000 residents. The Sheriff's Department maintains three substations within the unincorporated UGA.

Annexation History

Pierce County adopted its county-wide planning policies in 1992. Pierce County cities annexed 8,360 residents and 10,223 acres of land between 1992 and 2004. The residential density of annexations averaged about 0.8 persons per acre, far below the average for the CUGA of 3.2 persons per acre. Of the 89 annexations that were completed during this period, 36 included no residents. This suggests that a significant portion of the annexation activity was development driven or had existing nonresidential uses.

The following table lists acreage by effective year of annexations for each city since adoption of the *Pierce County County-Wide Planning Policies* in 1992.

PIERCE COUNTY ACRES ANNEXED BY CITY & YEAR 1992 – May 2004														
CITY	YEAR													Total
	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	
Auburn	0	0	0	0	0	0	280	0	40	415	0	32	0	767
Bonney Lake	0	385	0	0	0	4	90	79	47	389	602	0	0	1,596
Carbonado	0	49	0	8	0	0	0	0	0	0	0	0	0	57
Eatonville	105	0	62	0	0	0	0	50	0	0	0	0	0	217
Fife	0	0	0	18	147	774	533	0	0	0	0	16	0	1,488
Fircrest	0	0	0	169	0	56	0	0	1	0	0	0	0	226
Gig Harbor	53	0	1	200	0	1,440	0	20	0	4	0	2	11	1,731
Milton	0	0	10	0	0	0	0	0	11	0	0	0	0	21
Pacific	0	0	0	377	0	4	0	0	0	0	0	0	0	381
Puyallup	50	6	0	50	441	0	131	344	131	0	16	0	124	1,293
Roy	0	0	24	0	0	0	0	0	0	140	0	0	0	164
Sumner	0	0	288	428	24	0	511	0	0	0	318	170	0	1,739
Tacoma	50	0	145	207	0	29	45	0	0	0	0	0	0	476
University Place	0	0	0	0	0	28	0	40	0	0	0	0	0	68
Wilkeson	0	0	1	0	0	0	0	0	0	0	0	0	0	1
Total	258	440	531	1,457	612	2,335	1,590	533	230	948	936	220	135	10,223

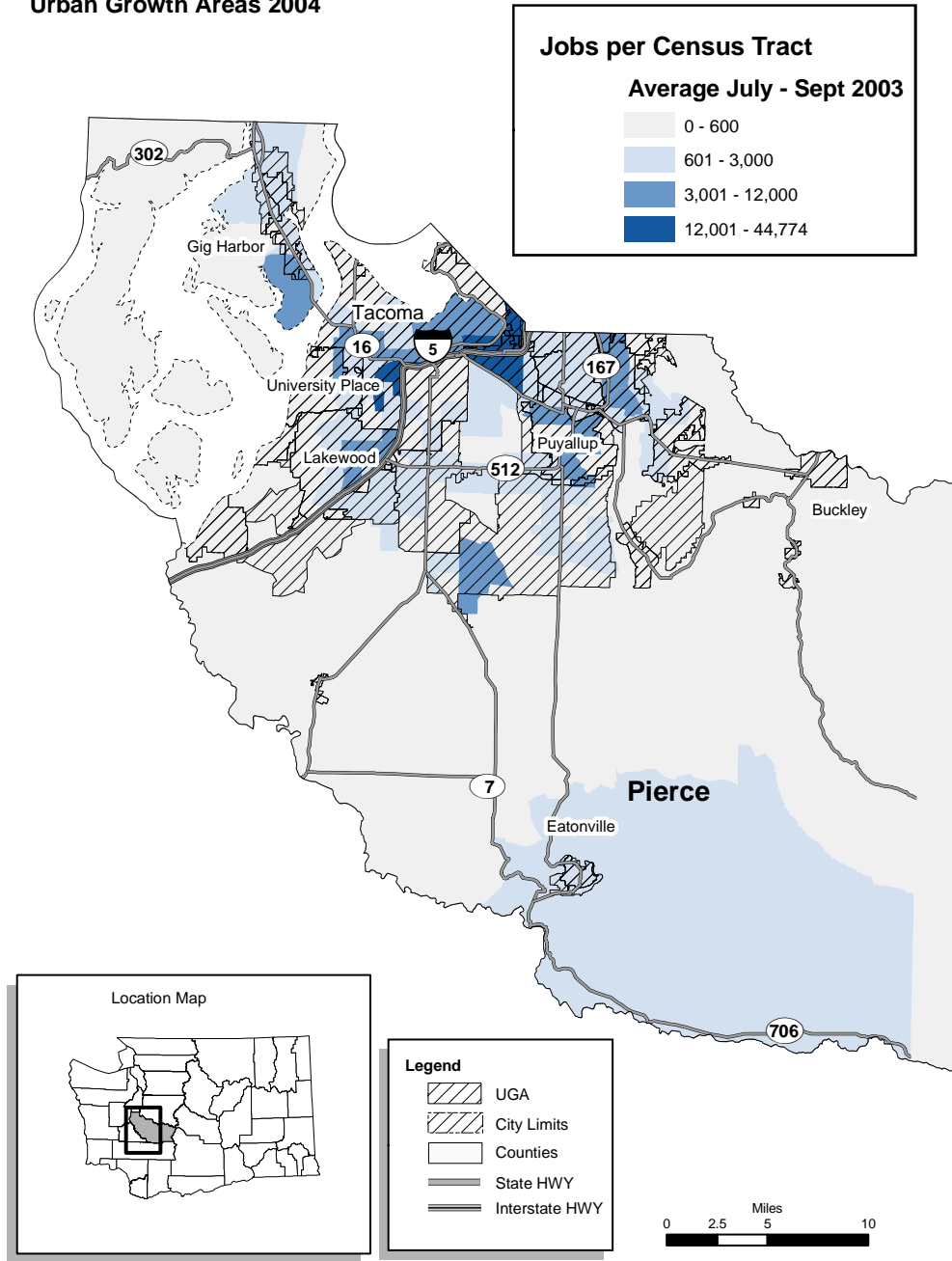
Source: OFM, 2004

All numbers are rounded to nearest whole number. Acreage less than 1 is rounded to 1.

Conclusions

The predominant land use in the CUGA is residential. Commercial and industrial uses, which typically generate more revenue than they cost to serve, are more attractive to cities for annexation. With less than 5 percent designated for commercial or industrial uses, this is less of a factor than in other counties. The large amount of vacant land, about 25 percent, could drive annexations in some areas depending upon how much of the land is environmentally constrained.

Urban Growth Areas 2004



washington state department of
community, trade and economic development

GMS / GIS Nov 2004

Figure D. Location of Jobs in Pierce County by Census Tract.

Appendix C. 5

Snohomish County Unincorporated Urban Growth Area Characterization

Overview

Snohomish County contains 20 cities and towns, each with an unincorporated urban growth area (UGA). There are also two parts of the unincorporated UGA, Maltby and Silver Firs, specifically designated by the county. The total unincorporated UGA comprises 46,708 acres dispersed throughout the county. The general location of the unincorporated UGA, in ascending order by approximate size is:

1. Islands within some cities.
2. Adjacent to the smaller cities outside of the I-5 corridor.
3. Between Arlington and Marysville.
4. Surrounding Lake Stevens.
5. Southwest county municipal urban growth area (MUGA), along the I-5 corridor “filling in” the area among the cities of Everett, Mukilteo, Mill Creek, Lynnwood, Brier, and Bothell.

The current estimated unincorporated UGA population is 187,140, with an overall population density of about four persons per acre. MUGA contains about 74 percent of the total unincorporated UGA population.

Figure E shows the location of jobs in the county.⁷

According to county data, an approximate breakdown of land use by category is listed in the following table:

SNOHOMISH COUNTY UNINCORPORATED UGA LAND USE		
CATEGORY	ACRES (est.)	PERCENT
Residential	21,875	47
Roads and water bodies	9,100	19
Vacant	7,166	15
Resource	1,809	4
Commercial/Industrial	1,838	4
Public/other (excluding public roads)	4,920	11
TOTAL	46,708	100

Source: Snohomish County

The data indicate that approximately two-thirds of the unincorporated UGA is currently developed with some land use other than roads. Nearly half (47 percent) of the developed lands are in residential use. Commercial and industrial land, which typically

⁷ Data provided by the Washington State Employment Security Department: some data omitted to preserve confidentiality.

generates greater revenue than it costs to serve, constitutes a small proportion of the total. The unincorporated UGA's total assessed value is \$14,608,040,545, about \$312,756 per acre of total acreage or \$388,429 per acre exclusive of roads and water bodies. Much of the unincorporated UGA may not be appealing to cities due to the predominance of residential uses and the fact that much is built out.

Over 12 percent of the total unincorporated UGA acreage is mapped either as environmentally constrained due to wetlands or steep slopes, or restricted in development potential due to proximity to sensitive areas such as fish-bearing streams.

Everett and Mill Creek have the largest portions of the MUGA. In addition, according to the proposed boundaries (February 2003), there are overlapping and unclaimed areas among Everett, Mukilteo, Mill Creek, and Lynnwood. The majority of the MUGA is designated as residential, ranging from high (12-24 du/ac) and medium (6-12 du/ac) density along the SR-99 to low-density residential (4-6 du/ac) for most of the area east of I-5. Significant portions of the residential areas are already platted and/or developed. Most of the commercial and some of the industrial lands are located along SR-99, with the largest industrial pocket (Paine Field area) west of SR-99, most of which is within Everett's UGA. Edmonds has the largest unincorporated urban island, all of which is platted and developed as residential.

Urban Services

Snohomish County owns and maintains 1,003 acres of parkland within the unincorporated UGA. This equates to a LOS of about 5.4 acres per 1,000 residents. This compares to a typical city LOS of about 10 acres per 1,000 residents.

All but 3 percent of the acreage in the unincorporated UGA currently has access to water service, generally from Class A water systems. About 77 percent of the total acreage has access to sewer service. Water and sewer service in the unincorporated UGA is provided by cities and several water and sewer districts.

Snohomish County's transportation LOS for arterials is LOS E. The cities' LOS standards are typically LOS D or below. The county identified two arterial units currently below its adopted LOS. While remedial actions for these arterial segments are currently under study, building permits are being denied for proposed development that would impact these roadways.

The Sheriff's office maintains three substations in the unincorporated area of the county, serving both urban and rural. The estimated population in the entire unincorporated portion of the county is 300,500. Of that, 62 percent (187,100) is estimated to be urban population. About a dozen fire districts serve various parts of the unincorporated UGA, as well as some incorporated areas.

Annexation History

Snohomish County adopted its county-wide planning policies in 1993. Snohomish County cities annexed 20,801 residents and 12,249 acres of land between 1993 and 2004.

Annexations averaged about 1.7 persons per acre, less than half of the overall population density in the unincorporated UGA. Fifty-four of the 182 annexations occurring over the period had no population.

According to the *Snohomish County Tomorrow 2001 Growth Monitoring Report* only four cities, Gold Bar, Arlington, Monroe, and Granite Falls had annexed more than 50 percent of their UGA by April 2001. Slightly more than 12 percent of the Southwest County MUGA, the largest area, had been annexed. Annexation activity has significantly diminished since 2000.

The following table lists acreage by effective year of annexations for each city since adoption of the *Snohomish County County-Wide Planning Policies* in 1993.

SNOHOMISH COUNTY ANNEXATIONS BY CITY 1993 - 2004						
CITY	APPROVED		NOT APPROVED		PENDING	
	ACRES	ASSESSED VALUE	ACRES	ASSESSED VALUE	ACRES	ASSESSED VALUE
Arlington	1,404	161,013,524	586	22,050,300	210	12,779,700
Bothell	10	858,600	0	0	0	0
Brier	3	570,100	70	19,220,500	0	0
Darrington	517	6,024,600	0	0	0	0
Edmonds	958	416,268,544	459	108,034,920	0	0
Everett	1,798	154,577,000	2029	343,568,600	142	43,416,800
Gold Bar	279	5,116,200	169	2,194,500	0	0
Granite Falls	489	5,782,130	0	0	0	0
Lake Stevens	98	500,500	61	2,135,900	0	0
Lynnwood	334	1,401,700	0	0	215	11,700,000
Marysville	341	187,614,342	664	48,566,300	0	0
Mill Creek	306	60,913,700	0	0	0	0
Monroe	757	80,159,339	0	0	0	0
Mountlake Terrace	45	5,544,100	1	186,500	0	0
Snohomish	243	10,108,150	0	0	186	0
Stanwood	174	6,170,000	348	9,327,800	0	0
Sultan	264	2,685,700	0	0	0	0
Woodway	1	0	0	0	0	0
TOTAL	8,020	\$1,105,308,229	4,387	\$555,285,320	753	\$67,896,500

All numbers are rounded to nearest whole number. Acreage less than one acre is rounded to one.

Conclusions

Almost all of the unincorporated UGA in Snohomish County has been assigned to a specific city. Some of the cities have been more successful at annexing territory within their respective unincorporated UGA. Overall, annexations have not occurred at the level anticipated. The majority of the MUGA, the largest area, is already developed. Much of the unincorporated UGA already receives urban level services from the county and various special districts (i.e., water, sewer, fire), eliminating a potential incentive for annexation. The desire to annex on the part of developers may be stronger in the parts of the county where sewer service is not available, about 25 percent of the unincorporated UGA. However, residents of those same areas may oppose annexation as a means of discouraging development. Although information on specific infrastructure needs was not readily available, the lower LOS for transportation in the county than in the cities is an indicator that some improvements would be needed.

Urban Growth Areas 2004

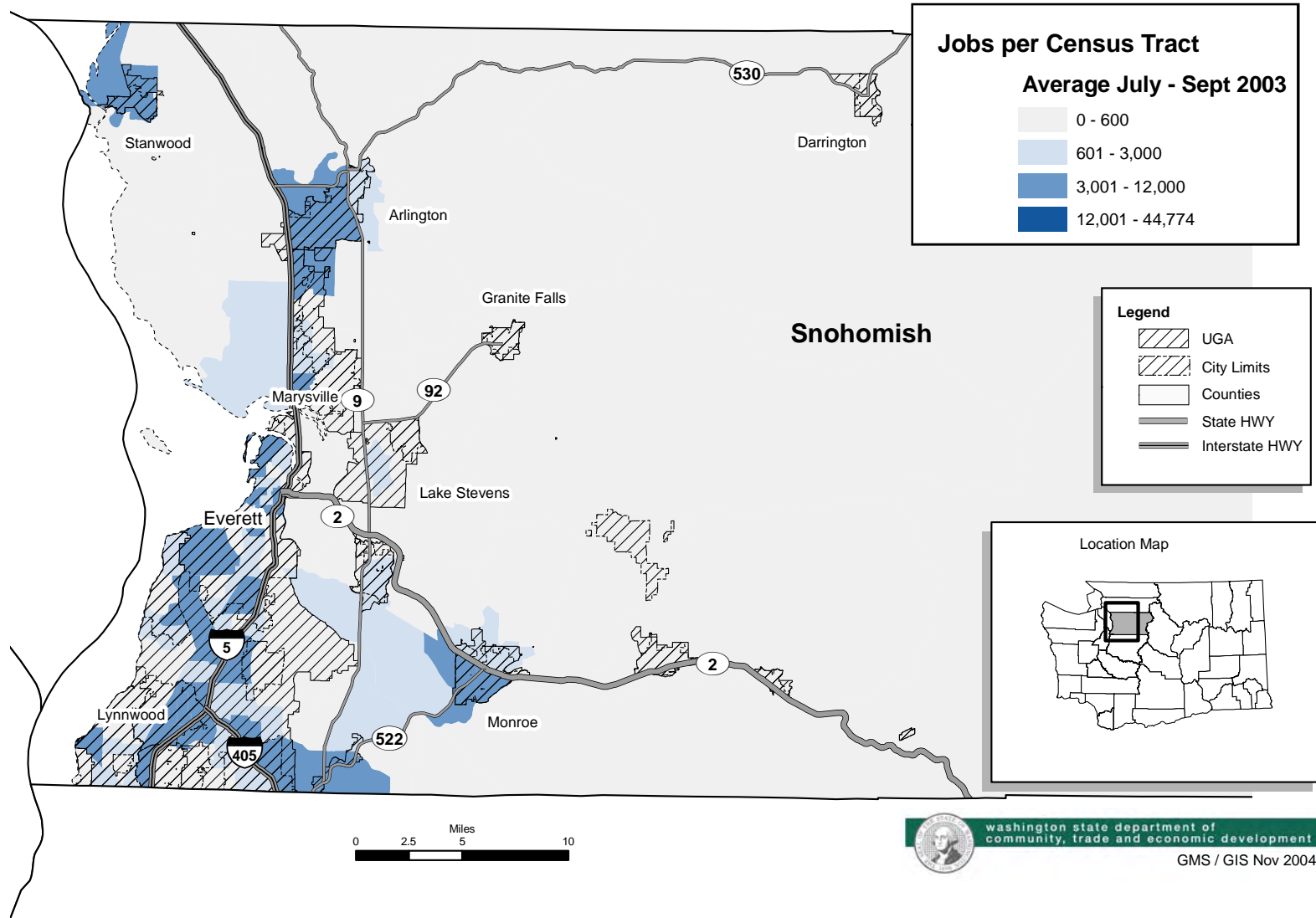


Figure E. Location of Jobs in Snohomish County by Census Tract

Appendix C.6

Thurston County Unincorporated Urban Growth Area Characterization

Overview

Thurston County has a primary, contiguous urban growth area (UGA) comprising cities of Tumwater, Olympia, and Lacey, and their respective unincorporated UGAs, collectively referred to as North County. The four cities of Yelm, Rainier, Tenino, and Bucoda are not contiguous to the North County UGA and have existing or proposed unincorporated UGAs. Additionally, there is one unincorporated UGA, Grand Mound, which is surrounded by rural area. The total unincorporated UGA is 28,334 acres. The majority of the unincorporated UGA acreage is adjacent to the North County cities.

The current estimated unincorporated UGA population is 103,972, with an overall population density of about 3.7 persons per acre.

The following table shows the division of unincorporated UGA lands by zoning category. While this does not indicate the relative proportion or amount of existing land uses, it describes the county's intended future use of the unincorporated UGA.

THURSTON COUNTY UNINCORPORATED UGA ZONED ACREAGES		
CATEGORY	ACRES	PERCENT
Residential	20,596	73
Commercial/Industrial	3,748	13
Open space/Parks	3,418	12
Agriculture	218	1
Other	350	1
TOTAL	28,330	100

Over two-thirds of the unincorporated UGA is proposed for residential development. Commercial and industrial land constitutes a relatively small proportion of the total. The unincorporated UGA's total assessed value is \$3,256,804,000, about \$114,913 per acre of total acreage. The low assessed value per acre suggests that there is currently a low level of development overall in the unincorporated UGA.

About 20 percent of the total unincorporated UGA, 5,653 acres, is mapped with environmental hazards including wetlands, steep slopes, high groundwater, and floodplain. Development is also constrained on 8,749 acres of buffers along streams, shorelines, and wetlands, or 30 percent of the unincorporated UGA area. It is not apparent how much overlap exists between the two classes of constrained areas. Cumulatively, the total acreage identified by the county as constrained represents about 50 percent of the total unincorporated UGA. The actual number of constrained acres, then, is between 30 percent (if all mapped environmental hazard areas lie in buffer areas) and 50 percent (if no mapped environmental hazard areas lie in buffer areas).

Figure F shows the location of jobs in the county.⁸

Urban Services

There are currently 350 acres of Thurston County parkland within the unincorporated UGA. This equates to a LOS of about 3.4 acres per 1,000 residents. This is low relative to a typical city LOS of about 10 acres per 1,000 residents. Unless parks serving the unincorporated UGA are located outside of the urban growth boundary, there may be significant reliance on city park and recreation facilities by residents of the unincorporated area.

Parcels currently connected to sanitary sewer represent only about 44 percent of the unincorporated UGA. As of 1997, parcels representing about 88 percent of the unincorporated UGA currently had public or community water connections. Of the 24,901 acres with water service, only about 950 acres were served by community systems. According to the *Thurston County Comprehensive Plan*, cities are typically responsible for extending water and sewer services to the unincorporated UGAs.

No information is available for the police staffing or LOS in the unincorporated UGAs.

Annexation History

Thurston County adopted its county-wide planning policies in 1992. Thurston County cities annexed 1,164 residents and 5,368 acres of land between 1992 and 2004. Lands annexed in this period had an overall density of 0.2 persons per acre. Since the density of the unincorporated UGA is 3.7 persons per acre, it is evident that the cities annexed largely undeveloped or nonresidential lands. 30 of the 62 annexations that occurred over this period had no residents. The 1995 Lacey annexation was nearly all vacant land at the time of annexation. About half was a master planned community that had already been approved by the county. The other half was industrial land; about two-thirds was vacant. The entire area, both residential and industrial, is rapidly developing now. The Yelm annexation was vacant land in 1993 and still remains vacant today. It is zoned moderate density residential.

⁸ Data provided by the Washington State Employment Security Department: some data omitted to preserve confidentiality.

The following table lists acreage by effective year of annexations for each city since adoption of the *Thurston County County-wide Planning Policies* in 1992.

THURSTON COUNTY ACRES ANNEXED BY CITY & YEAR 1992 – May 2004								
YEAR	CITY							TOTALS BY YEAR
	Bucoda	Lacey	Olympia	Rainier	Tenino	Tum- water	Yelm	
2004	0	0	0	0	0	1	0	1
2003	0	22	0	0	0	28	0	50
2002	0	0	0	0	0	0	0	0
2001	0	0	0	0	0	176	0	176
2000	0	0	0	0	0	14	0	14
1999	0	79	0	19	7	0	0	105
1998	0	0	211	27	0	0	48	286
1997	0	278	0	0	0	0	4	282
1996	0	0	77	0	0	1	19	97
1995	4	1,210	0	10	0	60	110	1,394
1994	0	159	58	0	10	41	138	406
1993	0	79	0	0	6	7	2,455	2,547
1992	0	0	0	0	1	9	0	10
Total:	4	1,827	346	56	4	337	2,774	5,368

Source: OFM, 2004

All numbers are rounded to nearest whole number.

Conclusions

With the exception of Grand Mound, all of the unincorporated UGA in Thurston County appears to be assigned to a specific city. Overall, annexed acreage has declined by year since 1994. Ninety-four percent of all acreage reflected above was annexed by 1998. Some of the cities have been more successful at annexing territory within their respective unincorporated UGAs. Yelm and Lacey accounted for 86 percent of the total acreage annexed.

Urban Growth Areas 2004

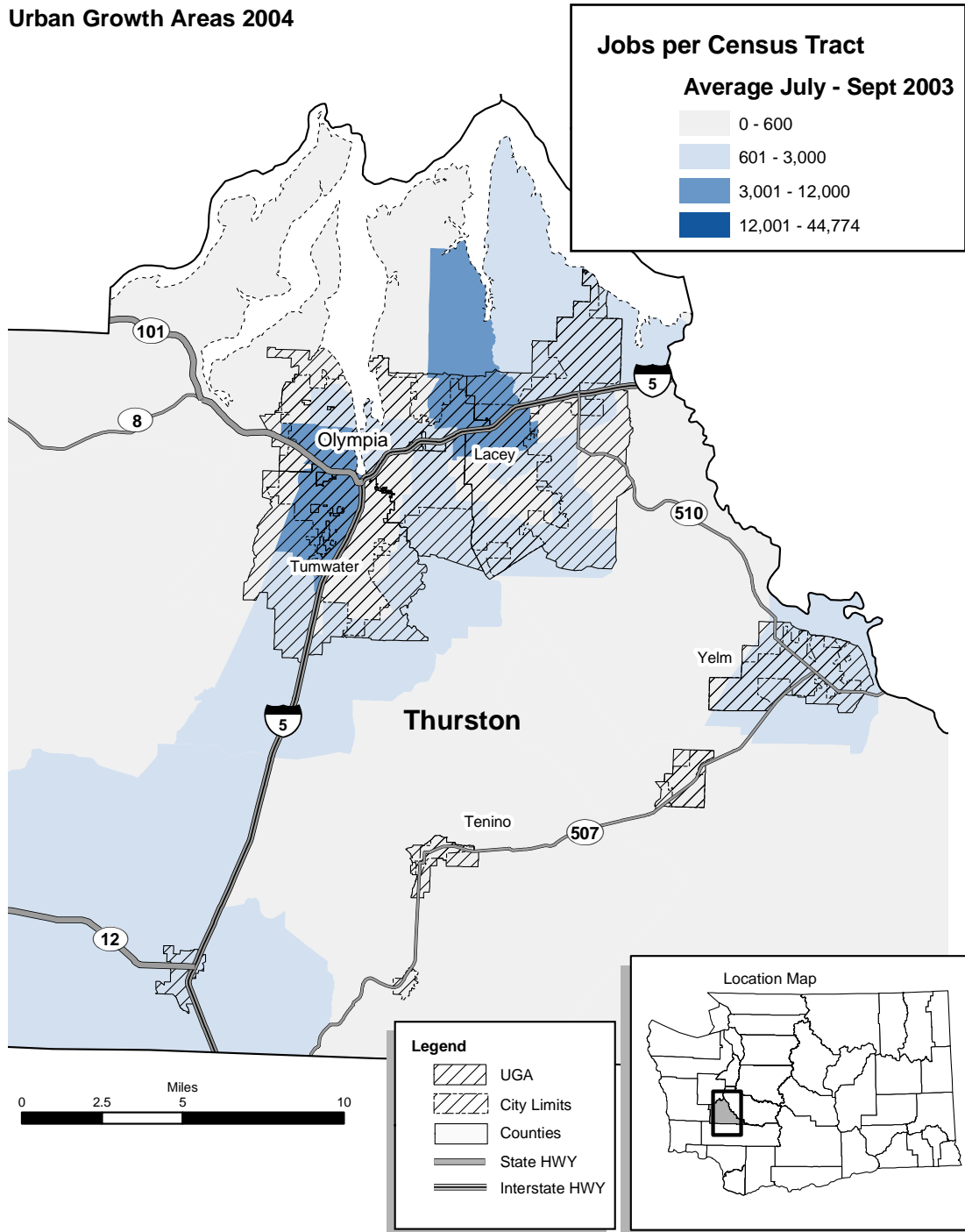


Figure F. Location of Jobs in Thurston County by Census Tract

Appendix D

Department of Community, Trade and Economic Development Survey of Obstacles & Strategies to Annexation

Introduction

This survey is sponsored by the Washington Department of Community, Trade and Economic Development (CTED). It asks planners or elected officials in six counties and the cities within them about obstacles to annexation and recommendations for overcoming them.

The Growth Management Act (GMA) requires that counties, in cooperation with cities, designate urban growth areas (UGA). Land inside UGAs is intended for urban development and is expected to receive urban levels of services (e.g., water, sewer, and transportation); rural areas outside UGAs are to receive limited services.

The GMA states that, in general, cities are the most appropriate providers of urban level services and that it is anticipated that all urban areas will eventually become part of a city through annexation or incorporation. Counties and cities are to determine where urban development will go and how it will ultimately be served by urban services.

For many reasons – economic, legal, and political – annexation has not occurred as anticipated. Large portions of UGAs remain unincorporated. Counties are attempting to continue to provide urban level services to these unincorporated areas while tax revenues are declining. Cities are facing their own fiscal challenges and are reluctant to annex areas that require infrastructure improvements and urban services funded primarily by an insufficient residential tax base. Citizens of these unincorporated areas are caught in the middle and are often divided on their best course of action: annexation, incorporation, or status quo.

The Washington State Legislature directed CTED to study annexation issues in the six “buildable lands” counties: Clark, King, Kitsap, Pierce, Snohomish, and Thurston. CTED solicited proposals from private firms, and selected the team of AHBL, Inc. and ECONorthwest to conduct the study. This survey is one of the tools CTED and the consultants will use to identify both barriers and strategies to achieving full annexation or incorporation of these urban growth areas. These surveys are being sent to elected officials and planning directors of the buildable lands counties and cities in the six counties. **Each local jurisdiction should decide who will fill out the survey, and return one survey.** Data from this survey and other research will be included in CTED’s report to the Legislature in December 2004.

Instructions

Each gray box represents a field into which you will type information. Press the “Tab” key to go from field to field and enter the appropriate information. Pressing “Shift” and “Tab” will take you to the previous field. Type “x” into the check boxes. Filling out the survey should take 20-30 minutes. When you have finished filling out the form, save it, then e-mail it as an attachment to Anne Fifield at ECONorthwest (fifield@eugene.econw.com) by **Friday, September 17, 2004.**

If you cannot or do not wish to work with the electronic version of this file, please print a copy and complete it by hand, or contact us and we will fax you a printed copy. If you have questions regarding the survey, please contact Anne Fifield at (541) 687-0051 or by e-mail at fifield@eugene.econw.com.

The survey has four sections:

- **Administrative information** asks for basic information about the organization responding to the survey.
- **Obstacles to annexation** asks survey respondents to rank the importance of identified obstacles and to identify additional obstacles.
- **Solutions to obstacles** asks survey respondents to rank the effectiveness of identified solutions, and to propose further solutions.
- **Other comments** provides space for survey respondents to identify any additional issues about annexation.

ADMINISTRATIVE INFORMATION

To be filled in by the person completing the questionnaire.

Agency or Organization

Date

Department

Name

Title

Address

Phone

Fax

E-mail

1. Type of jurisdiction
 - ☐ City or Town
 - ☐ County
2. If your jurisdiction is a city or town, does it have a designated unincorporated UGA contiguous to your boundary?
 - ☐ Yes
 - ☐ No

If **yes**, please continue the survey.

If **no**, you don't need to complete the rest of the survey. Please return the survey to Anne Fifield or contact her by e-mail or phone (541-687-0051) stating that your jurisdiction has no unannexed urban land.

Substantial work has been done in Washington and elsewhere on annexation issues. The consultant team has reviewed that work. There are many ways that potential obstacles to annexation could be categorized; this study uses the following categories:

- Objections of citizens
- Level of service
- Costs and revenues
- Political, statutory, or administrative issues

OBSTACLES TO ANNEXATION

Please rank the statements under each category as they relate in severity as an obstacle to annexation. At the end of each section, list or describe any additional obstacles that your community faces.

POTENTIAL OBSTACLE TO ANNEXATION	PREVENTS ANNEXATION OR INCORPORATION	PROBLEMATIC, BUT CAN BE RESOLVED	NOT A PROBLEM	NO OPINION
OBJECTIONS OF CITIZENS: CITIZEN OPPOSITION TO ANNEXATION CAN COME FROM RESIDENTS, PROPERTY OWNERS, AND BUSINESSES IN THE AREA TO BE ANNEXED. IT CAN ALSO COME FROM CITIZENS WITHIN THE ANNEXING CITY/TOWN. WHAT IS THE IMPACT OF THESE OBJECTIONS?				
O-1. Unannexed communities have a strong local identity and citizens perceive they have no relationship with the annexing jurisdiction.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
O-2. Unannexed communities distrust the annexing government.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
O-3. City/town residents do not want to annex the unannexed area.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
O-4. The public lacks understanding of the annexation process.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
O-5. Unannexed residents fear new development and higher densities.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
O-6. Unannexed residents expect taxes will rise with annexation.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
O-7. Unannexed businesses expect taxes will rise with annexation.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
O-8. Unannexed property owners do not want to bear the cost of extending urban services and infrastructure.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
O-9. Lack of consistency between city/town and county land use plans may create nonconforming uses and structures and development standards with annexation.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
O-10. Comments? Please describe any other citizen issues and briefly explain how those issues are obstacles to annexation.				
LEVEL OF SERVICE: CITY SERVICES ARE URBAN SERVICES. ANNEXATION OR INCORPORATION IS A MEANS TO PROVIDE URBAN SERVICES IN AN EFFICIENT MANNER IN DESIGNATED URBAN GROWTH AREAS. WHAT IS THE IMPACT OF THESE ISSUES?				
O-11. Unannexed communities want to remain "rural," and retain current level of service.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
O-12. Unannexed residents already receive urban services through special districts, and see no need to annex.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
O-13. Unannexed residents feel they have adequate or better services with the county or special district.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

POTENTIAL OBSTACLE TO ANNEXATION	PREVENTS ANNEXATION OR INCORPORATION	PROBLEMATIC, BUT CAN BE RESOLVED	NOT A PROBLEM	NO OPINION
O-14. Unannexed residents already receive key urban services (e.g., parks) from neighboring jurisdictions, but do not pay for the full cost of those services.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
O-15. The county and the annexing city/town do not plan jointly to ensure a consistent level of service in the city/town and unannexed area.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
O-16. Annexation of a large portion of a special district hinders the district's ability to provide service efficiently to the reduced district.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
O-17. Comments? Please describe any other level-of-service issues and briefly explain how those issues are obstacles to annexation.				
COSTS AND REVENUES: URBAN SERVICES ARE COSTLY, AND LOCAL JURISDICTIONS CAN HAVE DIFFERING VIEWS ON WHICH JURISDICTION SHOULD PAY HOW MUCH FOR PARTICULAR SERVICES. THE DISTRIBUTION OF TAX REVENUES CAN INFLUENCE HOW A LOCAL JURISDICTION VIEWS ANNEXATION. WHAT IS THE IMPACT OF THESE FISCAL ISSUES?				
O-18. The lag between the time a city/town annexes an area and the time that city/town receives the associated property tax revenue.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
O-19. The lag between the time a City/town annexes an area and the time that city/town receives the associated sales tax revenue.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
O-20. The revenue generated by the annexed area is inadequate to pay for expected increased costs to provide services to that area.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
O-21. The annexation process is expensive for small annexations.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
O-22. The County is reluctant to invest in infrastructure because that investment is lost with annexation, and there is no reimbursement from the annexing city/town.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
O-23. A county's development review fees are lost if annexation occurs before a permit is issued.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
O-24. There is inadequate financing to bring infrastructure in unannexed areas up to urban standards.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
O-25. Impact fees collected in unannexed areas have not fully mitigated impacts.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

POTENTIAL OBSTACLE TO ANNEXATION	PREVENTS ANNEXATION OR INCORPORATION	PROBLEMATIC, BUT CAN BE RESOLVED	NOT A PROBLEM	NO OPINION
O-26. Jurisdictions cannot spend impact fees on planning for capital facilities.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
O-27. Counties and special districts lose substantial revenue when an area is annexed.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
O-28. Comments? Please describe any other fiscal issues and briefly explain how those issues are obstacles to annexation.				
POLITICS, STATUTES, AND ADMINISTRATION: THERE ARE MANY DIFFERENT PLAYERS INVOLVED WITH ANNEXATION AND INCORPORATION. THE DIFFERENT AGENCIES MAY HAVE DIFFERENT AND POSSIBLY CONFLICTING STATUTORY OR ADMINISTRATIVE REQUIREMENTS. WHAT IS THE IMPACT OF THESE ISSUES?				
O-29. State annexation statutes are not consistent with GMA goals. If this is an obstacle, please answer O-30. If not, go to O-31.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
O-30. Please provide specific examples of inconsistent state statutes.				
O-31. The role and criteria of the boundary review boards (BRBs) may not support GMA goals.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
O-32. The BRB process adds cost and uncertainty to annexations.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
O-33. The threshold for invoking BRB jurisdiction is too low.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
O-34. Parties outside of annexations can request BRB review.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
O-35. BRB process and criteria place the burden of proof on the city/town rather than petitioners for review.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
O-36. The special process of annexing islands is costly and uncertain for cities.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
O-37. Cities cannot do an active public relations campaign for election annexations.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
O-38. Counties cannot initiate annexations.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
O-39. Special districts oppose annexations, resulting in increased process costs and uncertainty.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
O-40. Elected officials are reluctant to enter into interlocal agreements.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
O-41. It is difficult for counties to work with development standards of multiple cities in one UGA.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
O-42. Development standards differ between cities and counties.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

POTENTIAL OBSTACLE TO ANNEXATION	PREVENTS ANNEXATION OR INCORPORATION	PROBLEMATIC, BUT CAN BE RESOLVED	NOT A PROBLEM	NO OPINION
O-43. County-wide planning policies do not facilitate annexations. If this is an obstacle, please answer O-44. If not, go to O-45.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
O-44. Please provide specific examples of planning policies that hinder annexations.				
O-45. The lack of predictability discourages investment by all local jurisdictions.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
O-46. Cherry picking by cities/towns (i.e., annexing properties representing existing or likely revenue sources and leaving low revenue and high service-cost properties for counties and special districts).	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
O-47. Comments? Please describe any other political, statutory, or administrative issues and briefly explain how those issues are obstacles to annexation.				

SOLUTIONS TO OBSTACLES

Please rank the statements under each category as they relate in effectiveness: How much would each solution improve the current situation, would it have no impact to annexation obstacles, would it make annexation even more difficult, or is not a feasible solution for any reason? At the end of each section, list or describe any additional strategies.

POTENTIAL SOLUTION	LARGE IMPROVE MENT	SMALL IMPROVE MENT	NO CHANGE	WOULD MAKE SITUATIO N WORSE	NOT A FEASIBLE SOLUTION	NO OPINION
OBJECTIONS OF CITIZENS						
S-1. Eliminate the property owner petition method of annexation, and require approval by a majority of voters in the area to be annexed.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
S-2. Restructure the public involvement process and require the involvement of city/town and UGA citizens earlier in the process.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
S-3. Impose a service charge on unincorporated urban islands that counties can transfer to cities/towns to provide services.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
S-4. Comments? Other solutions to citizen issues?						
LEVEL OF SERVICE						
S-5. Require cities/towns and counties to plan jointly to ensure that unannexed areas receive urban levels of service that support urban development and a smooth transfer of governance.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
S-6. Authorize annexation based on adequate planning by the city/town to provide water, sewer and other urban services.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
S-7. Put a moratorium on expanding the UGA unless a city/town enters an interlocal agreement committing to annexation with urban services.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

POTENTIAL SOLUTION	LARGE IMPROVE MENT	SMALL IMPROVE MENT	NO CHANGE	WOULD MAKE SITUATIO N WORSE	NOT A FEASIBLE SOLUTION	NO OPINION
S-8. Where unannexed residents are not paying the full cost of services they receive, allow a county or special district utility tax to support those services.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
S-9. Comments? Other solutions to service issues?						
COSTS AND REVENUES						
S-10. Revise state statutes to reduce the lag time between annexation and receipt of property tax revenues.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
S-11. Revise state statutes to reduce the lag time between annexation and receipt of sales tax revenues.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
S-12. For unannexed areas that cost more than they raise in taxes, create a state fund to support the upgrade of infrastructure.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
S-13. For unannexed areas that cost more than they raise in taxes, authorize a utility tax surcharge for the transition period.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
S-14. For unannexed areas that cost more than they raise in taxes, require counties to pay annexing cities/towns some portion of the costs to provide services during an established transition period spanning pre- and post-annexation/incorporation.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
S-15. Shift the distribution of sales tax revenue so that jurisdictions with little retail receive some of that revenue.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
S-16. When a city/town annexes an area that removes substantive revenue from a county or special district, require the city/town to enter into an agreement with the county or special district for revenue sharing or capital project reimbursement.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

POTENTIAL SOLUTION	LARGE IMPROVE MENT	SMALL IMPROVE MENT	NO CHANGE	WOULD MAKE SITUATIO N WORSE	NOT A FEASIBLE SOLUTION	NO OPINION
S-17. Establish a dedicated capital improvement fund, generated and used within the annexation/incorporation area, for use by counties and cities/towns during an established transition period spanning pre- and post-annexation/incorporation.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
S-18. Comments? Other solutions to cost and revenue issues?						
POLITICS, STATUTES, AND ADMINISTRATION						
S-19. Limit standing to invoke BRB jurisdiction to residents and property owners within the annexation area.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
S-20. Increase the percentage of assessed value or registered voters required to invoke the BRB's jurisdiction.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
S-21. Require that petitioners for BRB review establish the inability of the city/town to provide urban services or significant procedural errors on the part of the city for denial of an annexation.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
S-22. Increase the threshold for BRB waiver of review from the current 10 acres and \$2 million.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
S-23. Remove the BRB from the annexation process in counties that are fully planning under GMA and where the county and all of the cities/towns have adopted plans and development regulations under the GMA.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
S-24. Establish criteria for exclusion from BRB review (e.g., existing service provision, acreage, percent of contiguity with city boundaries).	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

POTENTIAL SOLUTION	LARGE IMPROVE MENT	SMALL IMPROVE MENT	NO CHANGE	WOULD MAKE SITUATIO N WORSE	NOT A FEASIBLE SOLUTION	NO OPINION
S-25. Revise the statutory objectives of the BRB in review of annexations to be more consistent with the goals of GMA, including an allowance for piecemeal annexations.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
S-26. Update the factors to be considered by the BRB to issues of practical service provision and administration by the annexing city.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
S-27. Require cities, counties, and special districts to jointly plan annexations.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
S-28. Give counties the authority to initiate an annexation.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
S-29. Raise the threshold for initiating referenda on annexation by ordinance for islands of unincorporated territory.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
S-30. Do not add land in the UGA unless a city is willing to annex it.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
S-31. Create separate methods for large and small annexations.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
S-32. Require county-wide planning policies to identify receiving cities/towns for "potential annexation or incorporation areas" in designated UGAs.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
S-33. Simplify annexation process for those requesting annexation of contiguous area with no resident opposition.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
S-34. Simplify annexation/incorporation of areas with a GMA compliant subarea plan providing for a transition of urban services, capital facilities funding and phasing, if adopted by the county and by the city/town within any part of its UGA and the subarea.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

POTENTIAL SOLUTION	LARGE IMPROVE MENT	SMALL IMPROVE MENT	NO CHANGE	WOULD MAKE SITUATIO N WORSE	NOT A FEASIBLE SOLUTION	NO OPINION
S-35. Provide for a period of transition (e.g., 1 to 2 years) from governance by a special district board to governance by a city/town after annexation or incorporation occurs.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
S-36. Comments? Other solutions to political, statutory, or administrative issues?						

OTHER COMMENTS

Please use the space below (or additional sheets) to identify any other issues that we have not identified.

Comment 1.
Comment 2.
Comment 3.
Comment 4.
Comment 5.
Comment 6.

Thank you for completing the questionnaire.

Appendix E

Obstacles and Strategies to Annexation: Perspective of Counties

A key step in the evaluation of annexation and incorporation was a survey administered to Clark, King, Kitsap, Pierce, Snohomish, and Thurston counties. The survey was designed to elicit opinions from the counties about obstacles and potential solutions to annexation and incorporation. ECONorthwest, with the assistance of CTED and AHBL, administered the survey. This appendix summarizes the six counties' responses to the survey.

This appendix is divided into three main sections. The first section describes the methods used to survey. The second section summarizes the survey results, and the third section lists the responses to each survey question.

Methods

ECONorthwest (ECO) worked with AHBL and CTED to design the survey instrument. To generate the questions that made up the survey, the team relied on issues identified by the Annexation Study Advisory Committee, a review of sources discussing annexation issues in Washington, and the team's knowledge about the subject.

Based on experience in their county, respondents were asked to indicate whether particular obstacles were preventing annexation, problematic, not a problem, or they had no opinion. For potential solutions, the response choices were that the potential solution would be a large improvement, a small improvement, make no change, make the situation worse, it was not feasible, or the respondent had no opinion.

CTED staff provided names and e-mail addresses for the planning directors, county executives and council or commission chairs for the six counties. ECO staff mailed the survey electronically to planning directors, county executives, and council or commission chairs at Clark, King, Kitsap, Pierce, Snohomish, and Thurston counties on September 3.

The e-mail and cover letter specified that ECO had sent the survey to both planning directors and elected officials and directed each county to return only one survey to ECO. The e-mail and cover letter also provided a telephone number for ECO, so that ECO could answer any questions about the survey.

ECO received a 100 percent response rate: all six of the counties responded. This indicates that there is no response bias present in the survey results.

The next section of this appendix summarizes the responses to the questions, and the last section lists the questions as they appeared on the survey, with the number of counties choosing each answer.

Survey Summary

The section summarizes the survey results. The section is organized into the categories as they appeared on the survey:

- Objections of citizens.
- Level of service.
- Costs and revenues.
- Politics, statutes, and administration.

Within each category, obstacles are summarized first, then solutions.

One county points out that issues surrounding annexations and incorporations cross these categories. This county explains that for jurisdictions annexation is all about the money and the services. For citizens, it is about community identity and perceived lifestyle choices. Annexations will remain difficult until the state and the local jurisdictions find a way to bring these two views of jurisdictional boundaries together.

Objections of Citizens

Obstacles

As one county points out, all annexations are different. What is a serious obstacle in one community may not be an issue in another. However, the survey indicates that there are some objections that are common among residents of the various unincorporated areas. The most common are listed below. The number of counties responding as “prevents annexation” and “problematic” is shown in brackets. For example, in the obstacle, expectation of higher taxes [5:1], indicates that five counties responded it prevents annexation and one county responded it was problematic.

- Expectation by residents and businesses of higher taxes after annexation [5:1].
- Unwillingness of residents to bear costs of infrastructure and urban level services [3:3].
- Strong community identity with no perceived relationship to annexing city [3:2].
- Distrust of annexing city [3:2].
- Fear that annexation will bring new development and higher densities [2:4].
- Inconsistency between city and county will create nonconforming uses and structures [0:6].
- Lack of understanding of the annexation process among residents [1:4].

As the first two obstacles in the list indicate, many people in unincorporated areas are concerned about costs of annexation and how it directly affects them. For others, it may have more to do with identification with a community that they think is not part of the annexing city. That can also be related to the issue of trust, which may be a result of previous or anticipated city actions regarding land use development and regulation. As was noted previously, all of these obstacles will probably not apply in a single area, though they are likely to exist in some combination.

Solutions

There was little agreement from the counties as to potential solutions. In the bulleted list below, two numbers appear in brackets. The first shows the number of counties responding “large improvement” and “small improvement.” The second shows the number responding “would make situation worse” and “not a feasible solution.” For example, five counties think a service charge would be some improvement, and one county thinks it is not feasible or would worsen the situation.

- A service charge on unincorporated urban islands that counties can transfer to cities/towns to provide services [5:1].
- Restructure the public involvement process [3:1].
- Eliminate the property owner petition method of annexation [1:4].

The counties disagree about the impacts of eliminating the property owner petition method of annexation. One county thinks it would be a large improvement, one says it would not change anything, and three think it would make the situation worse. One county notes that within its board of commissioners there is substantial disagreement about the impact of such a change.

Level of Service

Obstacles

One county points out that each area has its own individual issues with the different services and the LOS, making it difficult to generalize. The most common LOS issues are the following (The number of counties responding as “prevents annexation” and “problematic” is shown in brackets.):

- Unincorporated residents already receive key urban services from neighboring jurisdictions [3:3].
- Annexation of a large portion of a special district may hinder that district’s ability to provide services [2:4].
- Unincorporated communities want to remain “rural” [2:4].
- Residents believe that they already have adequate services [1:4].

The LOS issue that hinders annexations the most appears to be the fact that some unincorporated communities already receive key urban services, such as parks, but these communities do not bear the full costs (and do not wish to bear the full cost) of the services they already receive. In some instances, particularly with city parks, residents of the unincorporated areas bear none of the costs. These residents see no added benefit from annexation. Residents tend to feel that they already have adequate services – they want to retain current service levels.

Solutions

Most of the counties agreed that level of service issues could be improved, either by authorizing counties (and special districts) to levy a utility tax, or by improved planning. The bullets below summarize the opinions about the solutions. (The first shows the number of counties responding “large improvement” and “small improvement.” The second shows the number responding “would make situation worse” and “not a feasible solution.”)

- Allow a county or special district utility tax to support services not fully paid by unincorporated residents [5:1].
- Put a moratorium on expanding the urban growth area (UGA) unless the city enters an interlocal agreement committing to annexation with urban services [5:1].
- Authorize annexation based on planning by the city to provide services [4:0].
- Require cities and counties to plan jointly to ensure that unincorporated urban growth areas receive urban levels of service that support urban development and a smooth transfer of governance [4:2].

All but one county agree that a utility tax to support services not fully paid by residents would improve the current situation. All but one county agree that a prerequisite for annexation should be the provision of adequate services by the city. The counties express strong support for a moratorium on expanding the UGA. The moratorium could be lifted if the annexing jurisdiction enters an interlocal agreement with the county committing to annexation with urban services. Related to this idea is requiring annexing jurisdictions and counties to plan jointly to ensure that unincorporated UGAs receive urban levels of service that support urban development and a smooth transfer of governance.

Costs and Revenues

Obstacles

The most common cost and revenue issues are listed below. (The number of counties responding as “prevents annexation” and “problematic” is shown in brackets.).

- Revenue from annexations does not cover the expected costs of servicing the annexed areas [3:3].
- The county is reluctant to invest in infrastructure in areas that may be annexed [2:4].
- There is inadequate financing to upgrade infrastructure in incorporated areas [2:4].
- Counties and special districts lose substantial revenue when an area is annexed [2:4].
- Impact fees from annexed areas have not fully mitigated impacts [1:5].

The biggest problem with annexations from a costs and revenues standpoint is that the annexation costs more than it brings in revenue. Not only does the annexing jurisdiction have to pay the costs of servicing the annexed area, they also have to pay the costs of upgrading any infrastructure systems that do not meet city standards.

Counties will also oppose annexations because they lose substantial revenue from them. One county points out that annexation may decrease the revenue of special districts to the point that they are unable to provide services.

Solutions

The counties generally support fiscal solutions that require coordination between local governments and the state. They do not support proposals that ask the counties to pay cities or towns to provide services. The bullets below summarize the opinions about fiscal solutions. (The first shows the number of counties responding “large improvement” and “small improvement.” The second shows the number responding “would make situation worse” and “not a feasible solution.”)

- Establish a dedicated capital improvement fund generated and used within the area to be annexed or incorporated [5:0].
- Create a state fund to support the upgrade of infrastructure in areas that cost more than they generate in tax revenue [5:0].
- Revenue-sharing or capital project reimbursement for annexations that remove substantive revenue from a county or special district [5:1].
- Authorize a utility tax surcharge for predetermined transition period [4:0].
- Require counties to pay annexing jurisdictions some portion of the costs to provide services during a transition period [1:5].
- Shift the distribution of sales tax revenue so that jurisdictions with little retail receive some of that revenue [4:1].

Half of the counties agree that it is desirable to reduce the lag time between annexation and receipt of property tax and sale tax revenues.

Politics, Statutes, and Administration

Obstacles

The most common political, statutory, and administrative issues are listed below. (The number of counties responding as “prevents annexation” and “problematic” is shown in brackets.)

- “Cherry picking” by cities or towns [4:2].
- Special district opposition to annexation increases cost and uncertainty [3:3].
- Counties cannot initiate annexations [3:2].
- Elected officials are reluctant to enter into interlocal agreements [1:4].
- Development standards differ between cities and counties [1:5].
- It is difficult for counties to work with development standards of multiple cities in one UGA [0:5].

The responding counties agree that cherry picking by annexing jurisdictions (i.e., annexing properties that are good revenue sources and leaving low revenue and high service-cost properties for counties and special districts) prevents or is problematic for future annexations. One county reports that past cherry picking has made remaining unincorporated areas difficult to annex, and these areas are unlikely to be annexed for some time.

There is a lack of consensus by the counties on other obstacles in this category. The counties are, for the most part, evenly divided. An issue that prevents annexation in two counties, is a less serious problem in two, and is not a problem at all in two. For example, the role of boundary review boards (BRB) presents problems for some counties. The BRB process can add cost and uncertainty to annexations, and prevents annexation in two counties. But two other counties report that the BRB process is not a problem. Two counties report that the threshold for invoking BRB is too low, preventing annexation, but two other counties report that issue is not a problem. The fact that parties outside of annexations can request BRB review is a not a problem for four counties, but one reports that it prevents annexation. The lack of agreement about these obstacles makes it difficult to generalize about the counties' perspectives.

Solutions

The counties lack consensus around possible solutions to political, statutory, and administrative problems. Answers to most questions range from "large improvement" to "would make situation worse." As discussed above, the counties do not agree on many of the obstacles in this category, so it is not surprising that they disagree on solutions.

The bullets below summarize the opinions about the solutions where there was agreement. (The first shows the number of counties responding "large improvement" and "small improvement." The second shows the number responding "would make situation worse" and "not a feasible solution.")

- Simplify the annexation process for contiguous areas with no resident opposition [6:0].
- Update the factors to be considered by the BRB [5:0].
- Give counties authority to initiate annexation [5:0].
- Simplify the annexation (and incorporation) process for areas with a GMA-compliant plan providing for urban services [5:1].
- Raise the threshold for initiating referenda on annexation by ordinance for islands [4:1].
- Require jurisdictions to jointly plan annexations [4:1].
- Don't add land to the UGA unless a city or town is willing to annex it [4:1].

The counties do not agree about how the role of the BRB could be improved. Two counties think that revising the statutory objectives of the BRB to be more consistent with the goals of GMA, including an allowance for piecemeal annexations would greatly improve the situation, but three think it would make it worse. Three counties think that limiting standing to invoke BRB jurisdiction to residents and property owners of the annexed area would improve the current system, but two counties think such a solution would make the system worse. Three counties agree that increasing the percentage of assessed value or registered voters required to invoke the BRB's jurisdiction would improve things, but the remainder disagree.

Questionnaire Results

This section shows the questions on the survey, and the number of responses to each question.

Obstacles to Annexation

Objections of Citizens

- O-1. Unannexed communities have a strong local identity and citizens perceive they have no relationship with the annexing jurisdiction.
3 - Prevents annexation or incorporation
2 - Problematic, but can be resolved
1 - Not a problem
0 - No opinion
- O-2. Unannexed communities distrust the annexing government.
3 - Prevents annexation or incorporation
2 - Problematic, but can be resolved
1 - Not a problem
0 - No opinion
- O-3. City/town residents do not want to annex the unannexed area.
1 - Prevents annexation or incorporation
2 - Problematic, but can be resolved
3 - Not a problem
0 - No opinion
- O-4. The public lacks understanding of the annexation process.
1 - Prevents annexation or incorporation
4 - Problematic, but can be resolved
1 - Not a problem
0 - No opinion
- O-5. Unannexed residents fear new development and higher densities.
2 - Prevents annexation or incorporation
4 - Problematic, but can be resolved
0 - Not a problem
0 - No opinion
- O-6. Unannexed residents expect taxes will rise with annexation.
5 - Prevents annexation or incorporation
1 - Problematic, but can be resolved
0 - Not a problem
0 - No opinion

- O-7 Unannexed businesses expect taxes will rise with annexation.
2 - Prevents annexation or incorporation
4 - Problematic, but can be resolved
0 - Not a problem
0 - No opinion
- O-8 Unannexed property owners do not want to bear the cost of extending urban services and infrastructure.
3 - Prevents annexation or incorporation
3 - Problematic, but can be resolved
0 - Not a problem
0 - No opinion
- O-9 Lack of consistency between city/town and county land use plans may create nonconforming uses and structures and development standards with annexation.
0 - Prevents annexation or incorporation
6 - Problematic, but can be resolved
0 - Not a problem
0 - No opinion
- O-10. Additional comments regarding objections of citizens.
Unincorporated residents believe that remaining in the county is a viable long-term option. They don't understand annexation implements GMA land use vision.
- All annexations are different. Many of the items listed above may be a problem or concern in one annexation but not in another. It would be helpful to have a fifth choice here that identified that the item could sometime be a problem or an issue.

Level of Service

- O-11. Unannexed communities want to remain "rural," and retain current LOS.
2 - Prevents annexation or incorporation
4 - Problematic, but can be resolved
0 - Not a problem
0 - No opinion
- O-12. Unannexed residents already receive urban services through special districts, and see no need to annex.
2 - Prevents annexation or incorporation
2 - Problematic, but can be resolved
2 - Not a problem
0 - No opinion

- O-13. Unannexed residents feel they have adequate or better services with the county or special district.
1 - Prevents annexation or incorporation
4 - Problematic, but can be resolved
1 - Not a problem
0 - No opinion
- O-14. Unannexed residents already receive key urban services (e.g., parks) from neighboring jurisdictions, but do not pay for the full cost of those services.
3 - Prevents annexation or incorporation
3 - Problematic, but can be resolved
0 - Not a problem
0 - No opinion
- O-15. The county and the annexing city/town do not plan jointly to ensure a consistent LOS in the city/town and unannexed area.
0 - Prevents annexation or incorporation
4 - Problematic, but can be resolved
2 - Not a problem
0 - No opinion
- O-16. Annexation of a large portion of a special district hinders the district's ability to provide service efficiently to the reduced district.
2 - Prevents annexation or incorporation
4 - Problematic, but can be resolved
0 - Not a problem
0 - No opinion
- O-17. Additional comments regarding level of service.
Again, each annexing area has its own LOS issues or concerns; it is difficult to generalize these.

Costs and Revenues

- O-18. The lag between the time a city/town annexes an area and the time that city/town receives the associated property tax revenue.
0 - Prevents annexation or incorporation
3 - Problematic, but can be resolved
3 - Not a problem
0 - No opinion

- O-19. The lag between the time a city/town annexes an area and the time that city/town receives the associated sales tax revenue.
0 - Prevents annexation or incorporation
2 - Problematic, but can be resolved
4 - Not a problem
0 - No opinion
- O-20. The revenue generated by the annexed area is inadequate to pay for expected increased costs to provide services to that area.
3 - Prevents annexation or incorporation
3 - Problematic, but can be resolved
0 - Not a problem
0 - No opinion
- O-21. The annexation process is expensive for small annexations.
1 - Prevents annexation or incorporation
3 - Problematic, but can be resolved
2 - Not a problem
0 - No opinion
- O-22. The county is reluctant to invest in infrastructure because that investment is lost with annexation, and there is no reimbursement from the annexing city/town.
2 - Prevents annexation or incorporation
4 - Problematic, but can be resolved
0 - Not a problem
0 - No opinion
- O-23. A county's development review fees are lost if annexation occurs before a permit is issued.
0 - Prevents annexation or incorporation
4 - Problematic, but can be resolved
1 - Not a problem
1 - No opinion
- O-24. There is inadequate financing to bring infrastructure in unannexed areas up to urban standards.
2 - Prevents annexation or incorporation
4 - Problematic, but can be resolved
0 - Not a problem
0 - No opinion

O-25. Impact fees collected in unannexed areas have not fully mitigated impacts.

- 1 - Prevents annexation or incorporation
- 5 - Problematic, but can be resolved
- 0 - Not a problem
- 0 - No opinion

O-26. Jurisdictions cannot spend impact fees on planning for capital facilities.

- 2 - Prevents annexation or incorporation
- 0 - Problematic, but can be resolved
- 3 - Not a problem
- 1 - No opinion

O-27. Counties and special districts lose substantial revenue when an area is annexed.

- 2 - Prevents annexation or incorporation
- 4 - Problematic, but can be resolved
- 0 - Not a problem
- 0 - No opinion

Comments specific to question:

Annexation leaves counties with special districts without the revenue to pay for county-wide services. Sales tax is the only growing source of revenue.

O-28. Additional comments regarding costs and revenues.

None listed

Politics, Statutes, and Administration

O-29. State annexation statutes are not consistent with GMA goals.

- 2 - Prevents annexation or incorporation
- 2 - Problematic, but can be resolved
- 2 - Not a problem
- 0 - No opinion

O-30. Please provide specific examples of inconsistent state statutes.

Annexation statute allows for incremental annexation of the urban landscape. It doesn't prevent cherry picking nor does it require cities to assume ownership of park, surface water, or other county owned facilities. GMA argues for coordinated, planned transition.

O-31. The role and criteria of the boundary review boards (BRBs) may not support GMA goals.

- 1 - Prevents annexation or incorporation
- 2 - Problematic, but can be resolved
- 3 - Not a problem
- 0 - No opinion

- O-32. The BRB process adds cost and uncertainty to annexations.
2 - Prevents annexation or incorporation
2 - Problematic, but can be resolved
2 - Not a problem
0 - No opinion
- O-33. The threshold for invoking BRB jurisdiction is too low.
2 - Prevents annexation or incorporation
1 - Problematic, but can be resolved
2 - Not a problem
1 - No opinion
- O-34. Parties outside of annexations can request BRB review.
1 - Prevents annexation or incorporation
1 - Problematic, but can be resolved
4 - Not a problem
0 - No opinion
- O-35. BRB process and criteria place the burden of proof on the city/town rather than petitioners for review.
1 - Prevents annexation or incorporation
1 - Problematic, but can be resolved
3 - Not a problem
1 - No opinion
- O-36. The special process of annexing islands is costly and uncertain for cities.
2 - Prevents annexation or incorporation
1 - Problematic, but can be resolved
3 - Not a problem
0 - No opinion
- O-37. Cities cannot do an active public relations campaign for election annexations.
1 - Prevents annexation or incorporation
3 - Problematic, but can be resolved
1 - Not a problem
1 - No opinion
- O-38. Counties cannot initiate annexations.
3 - Prevents annexation or incorporation
2 - Problematic, but can be resolved
1 - Not a problem
0 - No opinion

- O-39. Special districts oppose annexations, resulting in increased process costs and uncertainty.
3 - Prevents annexation or incorporation
3 - Problematic, but can be resolved
0 - Not a problem
0 - No opinion
- O-40. Elected officials are reluctant to enter into interlocal agreements.
1 - Prevents annexation or incorporation
4 - Problematic, but can be resolved
1 - Not a problem
0 - No opinion
- O-41. It is difficult for counties to work with development standards of multiple cities in one UGA.
0 - Prevents annexation or incorporation
5 - Problematic, but can be resolved
1 - Not a problem
0 - No opinion
- O-42. Development standards differ between cities and counties.
1 - Prevents annexation or incorporation
5 - Problematic, but can be resolved
0 - Not a problem
0 - No opinion
- O-43. County-wide planning policies do not facilitate annexations.
0 - Prevents annexation or incorporation
2 - Problematic, but can be resolved
3 - Not a problem
0 - No opinion
- O-44. Please provide specific examples of planning policies that hinder annexations.
None listed.
- O-45. The lack of predictability discourages investment by all local jurisdictions.
2 - Prevents annexation or incorporation
2 - Problematic, but can be resolved
2 - Not a problem
0 - No opinion

O-46. “Cherry picking” by cities/towns (i.e., annexing properties representing existing or likely revenue sources and leaving low revenue and high service-cost properties for counties and special districts).

4 - Prevents annexation or incorporation

2 - Problematic, but can be resolved

0 - Not a problem

0 - No opinion

Comments specific to question:

In our county a stalemate exists; the desirable areas have incorporated or been annexed to cities; what remains are large residential areas, which according to the cities, don’t pay for themselves. Lacking political will, financial tools, or state law requirements, these areas may remain as part of the county for some time.

O-47. Additional comments regarding politics, statutes, and administration.

Depending on the structure and area of annexation, some of the above items can be very problematic and, in some cases, even prevent annexation.

Solutions to Obstacles

Objections of Citizens

S-1. Eliminate the property owner petition method of annexation, and require approval by a majority of voters in the area to be annexed.

1 - Large improvement

0 - Small improvement

1 - No change

3 - Would make situation worse

1 - Not a feasible solution

0 - No opinion

S-2. Restructure the public involvement process and require the involvement of city/town and UGA citizens earlier in the process.

1 - Large improvement

2 - Small improvement

2 - No change

1 - Would make situation worse

0 - Not a feasible solution

0 - No opinion

Comments specific to question:

S1 and S2 had a wide variety of opinion on the board. Some members felt this would make the situation worse, while others thought this would be a large improvement.

S-3. Impose a service charge on unincorporated urban islands that counties can transfer to cities/towns to provide services.

3 - Large improvement

2 - Small improvement

0 - No change

0 - Would make situation worse

1 - Not a feasible solution

0 - No opinion

S-4. Additional comments regarding objections of citizens.

None listed

Level of Service

S-5. Require cities/towns and counties to plan jointly to ensure that unannexed areas receive urban levels of service that support urban development and a smooth transfer of governance.

3 - Large improvement

1 - Small improvement

0 - No change

1 - Would make situation worse

1 - Not a feasible solution

0 - No opinion

S-6. Authorize annexation based on adequate planning by the city/town to provide water, sewer, and other urban services.

2 - Large improvement

2 - Small improvement

2 - No change

0 - Would make situation worse

0 - Not a feasible solution

0 - No opinion

Comments specific to question:

Cities are required to be able to provide urban services upon annexation.

S-7. Put a moratorium on expanding the UGA unless a city/town enters an interlocal agreement committing to annexation with urban services.

5 - Large improvement

0 - Small improvement

0 - No change

0 - Would make situation worse

1 - Not a feasible solution

0 - No opinion

- S-8. Where unannexed residents are not paying the full cost of services they receive, allow a county or special district utility tax to support those services.
- 3 - Large improvement
 - 2 - Small improvement
 - 0 - No change
 - 1 - Would make situation worse
 - 0 - Not a feasible solution
 - 0 - No opinion
- S-9. Additional comments regarding level of service.
- None listed

Costs and Revenues

- S-10. Revise state statutes to reduce the lag time between annexation and receipt of property tax revenues.
- 1 - Large improvement
 - 3 - Small improvement
 - 1 - No change
 - 1 - Would make situation worse
 - 0 - Not a feasible solution
 - 0 - No opinion
- Comments specific to question:
Lag time should not be automatically discounted, as it can be beneficial for those cities with lower levy rate than county.
- S-11. Revise state statutes to reduce the lag time between annexation and receipt of sales tax revenues.
- 1 - Large improvement
 - 2 - Small improvement
 - 2 - No change
 - 1 - Would make situation worse
 - 0 - Not a feasible solution
 - 0 - No opinion
- S-12. For unannexed areas that cost more than they raise in taxes, create a state fund to support the upgrade of infrastructure.
- 4 - Large improvement
 - 1 - Small improvement
 - 0 - No change
 - 1 - Would make situation worse
 - 0 - Not a feasible solution
 - 0 - No opinion

- S-13. For unannexed areas that cost more than they raise in taxes, authorize a utility tax surcharge for the transition period.
- 3 - Large improvement
 - 1 - Small improvement
 - 0 - No change
 - 0 - Would make situation worse
 - 0 - Not a feasible solution
 - 2 - No opinion

Comments specific to question:

It is unclear who gets to levy tax and for what time period though concept of using a utility tax as financial transition tool would certainly be helpful.

- S-14. For unannexed areas that cost more than they raise in taxes, require counties to pay annexing cities/towns some portion of the costs to provide services during an established transition period spanning pre- and post-annexation/incorporation.
- 0 - Large improvement
 - 1 - Small improvement
 - 0 - No change
 - 3 - Would make situation worse
 - 2 - Not a feasible solution
 - 0 - No opinion

Comments specific to question:

This would require new taxing authority.

- S-15. Shift the distribution of sales tax revenue so that jurisdictions with little retail receive some of that revenue.
- 1 - Large improvement
 - 3 - Small improvement
 - 0 - No change
 - 0 - Would make situation worse
 - 1 - Not a feasible solution
 - 1 - No opinion

- S-16. When a city/town annexes an area that removes substantive revenue from a county or special district, require the city/town to enter into an agreement with the county or special district for revenue sharing or capital project reimbursement.
- 4 - Large improvement
 - 1 - Small improvement
 - 0 - No change
 - 1 - Would make situation worse
 - 0 - Not a feasible solution
 - 0 - No opinion

S-17. Establish a dedicated capital improvement fund, generated and used within the annexation/incorporation area, for use by counties and cities/towns during an established transition period spanning pre- and post-annexation/incorporation.

3 - Large improvement

2 - Small improvement

1 - No change

0 - Would make situation worse

0 - Not a feasible solution

0 - No opinion

Comments specific to question:

This would require new taxing authority.

S-18. Additional comments regarding costs and revenues.

None listed

Politics, Statutes, and Administration

S-19. Limit standing to invoke BRB jurisdiction to residents and property owners within the annexation area.

2 - Large improvement

1 - Small improvement

1 - No change

2 - Would make situation worse

0 - Not a feasible solution

0 - No opinion

S-20. Increase the percentage of assessed value or registered voters required to invoke the BRB's jurisdiction.

1 - Large improvement

2 - Small improvement

1 - No change

1 - Would make situation worse

1 - Not a feasible solution

0 - No opinion

S-21. Require that petitioners for BRB review establish the inability of the city/town to provide urban services or significant procedural errors on the part of the city for denial of an annexation.

1 - Large improvement

0 - Small improvement

2 - No change

2 - Would make situation worse

0 - Not a feasible solution

1 - No opinion

S-22. Increase the threshold for BRB waiver of review from the current 10 acres and \$2 million.

- 1 - Large improvement
- 1 - Small improvement
- 2 - No change
- 0 - Would make situation worse
- 0 - Not a feasible solution
- 2 - No opinion

S-23. Remove the BRB from the annexation process in counties that are fully planning under GMA and where the county and all of the cities/towns have adopted plans and development regulations under the GMA.

- 0 - Large improvement
- 2 - Small improvement
- 1 - No change
- 2 - Would make situation worse
- 1 - Not a feasible solution
- 0 - No opinion

Comments specific to question:

Already allowed by statute.

S-24. Establish criteria for exclusion from BRB review (e.g., existing service provision, acreage, percent of contiguity with city boundaries).

- 1 - Large improvement
- 3 - Small improvement
- 0 - No change
- 1 - Would make situation worse
- 1 - Not a feasible solution
- 0 - No opinion

Comments specific to question:

Increases incremental annexation as opposed to holistic GMA approach.

S-25. Revise the statutory objectives of the BRB in review of annexations to be more consistent with the goals of GMA, including an allowance for piecemeal annexations.

- 2 - Large improvement
- 0 - Small improvement
- 0 - No change
- 3 - Would make situation worse
- 0 - Not a feasible solution
- 1 - No opinion

Comments specific to question:

Notion of “piecemeal” annexation inconsistent with GMA.

S-26. Update the factors to be considered by the BRB to issues of practical service provision and administration by the annexing city.

2 - Large improvement

3 - Small improvement

1 - No change

0 - Would make situation worse

0 - Not a feasible solution

0 - No opinion

Comments specific to question:

BRB already has authority to do this.

S-27. Require cities, counties, and special districts to jointly plan annexations.

2 - Large improvement

2 - Small improvement

1 - No change

0 - Would make situation worse

1 - Not a feasible solution

0 - No opinion

S-28. Give counties the authority to initiate an annexation.

4 - Large improvement

1 - Small improvement

1 - No change

0 - Would make situation worse

0 - Not a feasible solution

0 - No opinion

S-29. Raise the threshold for initiating referenda on annexation by ordinance for islands of unincorporated territory.

4 - Large improvement

0 - Small improvement

1 - No change

0 - Would make situation worse

1 - Not a feasible solution

0 - No opinion

S-30. Do not add land in the UGA unless a city is willing to annex it.

1 - Large improvement

3 - Small improvement

1 - No change

0 - Would make situation worse

1 - Not a feasible solution

0 - No opinion

- S-31. Create separate methods for large and small annexations.
0 - Large improvement
3 - Small improvement
0 - No change
1 - Would make situation worse
1 - Not a feasible solution
1 - No opinion
- S-32. Require county-wide planning policies to identify receiving cities/towns for “potential annexation or incorporation areas” in designated UGAs.
1 - Large improvement
1 - Small improvement
3 - No change
1 - Would make situation worse
0 - Not a feasible solution
0 - No opinion
- S-33. Simplify annexation process for those requesting annexation of contiguous area with no resident opposition.
3 - Large improvement
3 - Small improvement
0 - No change
0 - Would make situation worse
0 - Not a feasible solution
0 - No opinion
- S-34. Simplify annexation/incorporation of areas with a GMA-compliant subarea plan providing for a transition of urban services, capital facilities funding and phasing, if adopted by the county and by the city/town within any part of its UGA and the subarea.
3 - Large improvement
2 - Small improvement
0 - No change
1 - Would make situation worse
0 - Not a feasible solution
0 - No opinion
- S-35. Provide for a period of transition (e.g., one to two years) from governance by a special district board to governance by a city/town after annexation or incorporation occurs.
0 - Large improvement
3 - Small improvement
0 - No change
2 - Would make situation worse
0 - Not a feasible solution
1 - No opinion

S-36. Additional comments? Other solutions to political, statutory, or administrative issues?

Eliminate citizen referenda on both methods of island annexation; require cities by date certain to annex small islands; provide for county authority to initiate annexation.

For counties planning under GMA, mandate a time frame for annexation of urban areas.

Other Comments

Please use the space below (or additional sheets) to identify any other issues that we have not identified.

- Good survey!
- For jurisdictions, annexation is all about the money and the services. For citizens, it is about community identity and perceived lifestyle choices. Annexations will remain difficult until we find a way to bring these two views of jurisdictional boundaries together.
- Please think of annexation as a tool to accomplish growth management. Communities that have a growth management program and have completed their planning and ordinances may qualify for streamlined annexation.
- To keep annexation in context, please look at incorporation. How does that statute line up against annexation? Should it be harder to form a new city than to annex? Should criteria for financial viability for incorporation exist? The incorporation option should also be viable for areas that want to form their own communities.
- Please look for statutory changes that keep the responsibility for coming to agreement in the hands of the jurisdictions. Give incentives to cooperate. Let communities that cooperate have easier processes.

Appendix F

Obstacles and Strategies to Annexation: Perspective of Cities

A key step in the evaluation of annexation and incorporation was a survey administered to the 96 cities and towns in Clark, King, Kitsap, Pierce, Snohomish, and Thurston counties. The survey was designed to elicit opinions from cities and towns about obstacles and potential solutions to annexation and incorporation. ECONorthwest, with the assistance of CTED and AHB�, administered the survey. This appendix summarizes the cities and towns' responses to the survey.

This appendix is divided into three main sections. The first section describes the methods used to survey. The second section summarizes the survey results, and the third section lists the responses to each survey question.

Methods

ECONorthwest (ECO) worked with AHB� and CTED to design the survey instrument. To generate the questions that made up the survey, they relied on issues identified by the Annexation Study Advisory Committee, a review of sources discussing annexation issues in Washington, and their collective knowledge about the subject.

CTED staff provided contact information for the 96 cities and towns in the six counties. CTED identified names and e-mail addresses, or mailing addresses for those without e-mail access, for the planning directors and mayors. ECO staff e-mailed the survey to the planning directors and mayors on September 3, and mailed the survey to the mayors without e-mail access. Five e-mails were returned to ECO as undeliverable. CTED worked to correct the incorrect addresses, and ECO sent surveys to the correct addresses in the following days.

The e-mail and cover letter specified that ECO had sent the survey to both planning directors and an elected official. The e-mail and cover letter directed each local jurisdiction to return one survey to ECO. The e-mail and cover letter also provided a telephone number for ECO, so that ECO could answer any questions about the survey.

ECO received a 54 percent response rate: 48 of the 82 cities responded and four of 14 towns responded. CTED reviewed maps of the cities and towns, and determined that 25 of the non-responding cities and towns have a designated unincorporated urban growth area (UGA) contiguous to their boundary, and five of those are very small. The remaining non-responding cities and towns have no designated unincorporated UGA contiguous to their boundary. Ten of the responding jurisdictions reported that they had no designated unincorporated UGA contiguous to their boundary.

Based on experience in their county, respondents were asked to indicate whether particular obstacles were preventing annexation, problematic, not a problem, or they had no opinion. For

potential solutions, the response choices were that the potential solution would be a large improvement, a small improvement, make no change, make the situation worse, it was not feasible or the respondent had no opinion.

It is possible that jurisdictions responding to the survey have more problems with annexation than non-responding jurisdictions. These communities facing more serious obstacles are more likely to participate in a study about those obstacles. This trend would bias the survey results, causing the obstacles to appear more serious than a 100 percent response rate would show. Many of the non-respondents were small cities and towns, and it is possible that these jurisdictions did not respond because of low staffing levels. ECO is unable to estimate the severity of annexation issues in these communities, and is therefore unable to determine the direction of any bias induced.

The next section of this appendix summarizes the communities' responses to the questions, and the last section lists the questions as they appeared on the survey, with the percent responding to each answer.

Survey Summary

The section summarizes the survey results. The section is organized into the categories as they appeared on the survey:

- Objections of citizens.
- LOS.
- Costs and revenues.
- Politics, statutes, and administration.

Within each category, obstacles are summarized first, then solutions.

Objections of Citizens

Obstacles

The biggest obstacle to annexation and incorporation that stems from citizens is the opposition to increased costs. One-third of the cities and towns report that the expected rise in taxes and the cost of extending urban services and infrastructure prevent annexation in some communities. For example, there are sewage hook-up fees which residents may consider excessive, especially because they have no trouble with their current septic system.

The percent of cities responding as “prevents annexation” and “problematic” is shown in brackets. For example, in the obstacle, expectation of higher taxes [33:56] indicates that 33 percent of the cities responded it prevents annexation and 56 percent responded it was problematic.

- Expectation by residents and businesses of higher taxes after annexation [33:56].
- Unwillingness of residents to bear costs of infrastructure and urban level services [33:44].
- Strong community identity with no perceived relationship to annexing city [21:50].
- Distrust of annexing city [19:60].

- Fear that annexation will bring new development and higher densities [19:50].

Written comments elaborate on residents' fears of new development and higher densities. One jurisdiction explains that many people bought their property before UGAs were established. Many residents chose to live in that unincorporated area because they wanted to live in a rural community. One city points out that annexation does not necessarily stimulate increased density, but residents perceive that it does. Related to this issue is that annexation can create nonconforming uses, and two-thirds of the cities identify this as a problem, but one that can be overcome.

Over 80 percent of the cities report that the public lacks understanding of the annexation process, and this problem prevents annexation in a few communities. Many cities report that there are misperceptions and misinformation regarding annexation.

Solutions

In the bulleted list below, two numbers appear in brackets. The first shows the percent of cities responding "large improvement" and "small improvement." The second shows the percent responding "would make situation worse" and "not a feasible solution." For example, 14 percent of cities think that eliminating the property owner petition method of annexation would improve the situation, and 81 percent think it is not feasible or would worsen the situation.

- Eliminate the property owner petition method of annexation [14:81].
- A service charge on unincorporated urban islands that counties can transfer to cities/towns to provide services [64:12].
- Restructure the public involvement process [26:25].

A strong majority of responding jurisdictions recommend *against* eliminating the property owner petition method of annexation. One jurisdiction notes that some annexations lack any voters. Other jurisdictions think that citizens should be unable to oppose annexations.

Over 60 percent of respondents say that imposing a service charge on unincorporated areas to pay for services provided by the annexing city would be an improvement, but some jurisdictions note that such a fee may help a city recover its costs, but may exacerbate negative relationships between property owners and local jurisdictions.

Level of Service

Obstacles

The most common LOS issues are the following (The percent of cities responding as "prevents annexation" and "problematic" is shown in brackets.):

- Unincorporated residents already receive urban services from special districts [50:33].
- Residents believe that they already have adequate services [30:23].
- Unincorporated residents already receive key urban services from neighboring jurisdiction, and don't pay the full cost [30:49].
- Unincorporated communities want to remain "rural" [23:51].

Many unincorporated residents already receive urban services through the county or special districts, so those residents see no need to annex or incorporate. Other residents in unincorporated areas already consume many city services (such as parks) for which they do not pay. Individual comments indicate that many residents in unincorporated UGAs enjoy the benefits of the neighboring city without any obligation to pay for the services. A related issue is that residents of unincorporated areas perceive their LOS as adequate (and possibly superior) and do not perceive any benefit from annexation. Individual comments from cities and towns further document this issue – one community reports that fire and emergency medical services are superior in the unincorporated area.

Most of the cities indicate that annexation of large portions of special districts hinders those districts' ability to provide services efficiently in their reduced service area. Almost 40 percent see it as a problem, and 20 percent report that it prevents annexation.

Solutions

The bullets below summarize the cities' opinions about the solutions. (The first shows the percent of cities responding "large improvement" and "small improvement." The second shows the percent responding "would make situation worse" and "not a feasible solution.")

- Authorize annexation based on planning by the city to provide services [77:2].
- Require cities and counties to plan jointly to ensure that unincorporated UGAs receive urban levels of service that support urban development and a smooth transfer of governance [60:11].
- Allow a county or special district utility tax to support services not fully paid by unincorporated residents [56:25].
- Put a moratorium on expanding the UGA unless the city enters an interlocal agreement committing to annexation with urban services [45:32].

The cities express strong support for solutions that involve better planning. Although most cities support the idea that annexing jurisdictions and counties should plan jointly to ensure that unincorporated UGAs receive urban levels of service, some respondents note that counties should not be providing urban levels of service, because these services cause a disincentive to annex.

Over half of respondents say that a utility tax to support services that unincorporated residents are not currently paying for would be an improvement. One jurisdiction notes that such a tax should be temporary; otherwise counties would have an incentive to resist annexation in the long term.

Costs and Revenues

Obstacles

The most common fiscal issues are the following (The percent of cities responding as "prevents annexation" and "problematic" is shown in brackets.):

- Revenue from annexations does not cover the expected costs of servicing the annexed areas [60:26].
- There is inadequate financing to upgrade infrastructure in incorporated areas [57:36].
- The county is reluctant to invest in infrastructure in areas that may be annexed [29:46].
- Impact fees from annexed areas have not fully mitigated impacts [26:56].
- Counties and special districts lose substantial revenue when an area is annexed [19:40].

The annexing entity has to bear a great deal of cost in the annexation process. Cities and towns reported that these costs stem primarily from the need to upgrade existing infrastructure and services to meet city standards (because county LOS standards are often different than those of cities). These costs generally are larger than the tax revenues received. Areas with the most drastic needs for improvement are most likely to *not* be annexed, because of the high cost of making infrastructure (street, drain, and utility) improvements. One city notes that some mechanism to offset the imbalance needs to be created.

Cities are more likely to annex areas in which the county has already made infrastructure improvements, often without compensating the county. Counties will fight annexations for this reason. One respondent states that during their last annexation, they reimbursed the county for road improvement expenses. The impact of annexation to counties is perceived as a problem by the cities, and those negative impacts prevent annexation in about one-quarter of the responding cities.

Solutions

The cities are largely in agreement with each other about certain solutions to fiscal problems. The bullets below summarize the cities' opinions about the solutions. (The first shows the percent of cities responding "large improvement" and "small improvement." The second shows the percent responding "would make situation worse" and "not a feasible solution.")

- Require counties to pay annexing jurisdictions some portion of the costs to provide services during a transition period [91:4].
- Create a state fund to support the upgrade of infrastructure in areas that cost more than they generate in tax revenue [89:11].
- Reduce the lag time between annexation and receipt of property tax revenues [88:2].
- Reduce the lag time between annexation and receipt of sales tax revenues [84:2].
- Authorize a utility tax surcharge for predetermined transition period [77:19].
- Establish a dedicated capital improvement fund generated and used within the area to be annexed or incorporated [74:12].

There is less agreement about the impacts of shifting the distribution of sales tax revenue so that jurisdictions with little retail could receive some of that revenue. There is also no agreement about the concept of revenue-sharing or capital project reimbursement for annexations that remove substantive revenue from a county or special district.

One community notes that the simplest means to address the problem of cities inheriting costly annexation problem areas with poor infrastructure is for the county capital improvement

plans/development standards—prior to annexation—to adopt levels of service in UGAs commensurate with those of the adjoining cities.

Another succinctly summarizes the problem: “The bottom line is all governments are hurting for money to provide capital facilities and basic services.”

Politics, Statutes, and Administration

Obstacles

Many cities report that obstacles stemming from political, statutory, and administrative processes can prevent annexation. The most common issues are the following (The percent of cities responding as “prevents annexation” and “problematic” is shown in brackets.):

- Special district opposition to annexation increases process costs and uncertainty [44:33].
- The boundary review board (BRB) process adds cost and uncertainty to annexations [40:47].
- Cities cannot do an active public relations campaign for election annexations [40:30].
- The special process of annexing islands is costly and uncertain for cities [40:26].
- State annexation statutes are not consistent with GMA goals [38:29].
- The threshold for invoking BRB jurisdiction is too low [37:33].
- Parties outside of annexations can request BRB review [35:28].
- BRB process and criteria place the burden of proof on the city/town rather than on the petitioners for review [35:28].
- The role and criteria of BRBs may not be consistent with GMA goals [31:40].

The cities agree that BRBs add a great deal of cost and uncertainty to the annexation process; cities would like to see the BRB authority narrowed or restricted.

Cities generally do not consider counties’ problems to be obstacles. That counties cannot initiate annexations is considered by a majority of the cities to not be a problem. Cities also do not consider county-wide planning policies to hinder annexation. The reluctance of elected officials to enter into interlocal agreements with counties and special districts is not considered to be an obstacle.

The responding cities disagreed about the impact of “cherry picking” by annexing jurisdictions (i.e., annexing properties that are good revenue sources and leaving low revenue and high service-cost properties for counties and special districts). This practice leaves largely residential areas unincorporated, and there is little incentive for a city or town to annex them. One respondent said that instances that first appear to be “cherry picking” could turn out to be reasonable when viewed in the context of all annexations.

Solutions

The cities were in agreement about potential solutions to political, statutory, and administrative obstacles. Cities were in agreement that almost any measure limiting the power of BRBs would be an improvement. There were seven survey questions that asked about the power the BRB should have. In every one of these questions, over 70 percent of respondents said that restricting

the power of the BRB would be an improvement. One city notes that the loss of the BRB would eliminate a “neutral” party from the annexation review process. Some respondents want the BRB to be removed from the annexation process altogether.

The bullets below summarize the cities’ opinions about the solutions pertaining to the BRBs. (The first shows the percent of cities responding “large improvement” and “small improvement.” The second shows the percent responding “would make situation worse” and “not a feasible solution.”)

- Establish criteria for exclusion from BRB review [95:0].
- Revise the statutory objectives of the BRB in review of annexations to be more consistent with the goals of GMA [90:5].
- Update the factors to be considered by the BRB to issues of practical service provision and administration by the annexing city [90:2].
- Remove the BRB from the annexation process in counties that are fully planning under GMA [86:4].
- Require that petitioners for BRB review establish the inability of the city/town to provide urban services or significant procedural errors on the part of the city for denial of an annexation [81:2].
- Limit standing to invoke BRB jurisdiction to residents and property owners within the annexation area [77:9].
- Increase the percentage of assessed value or registered voters required to invoke the BRB’s jurisdiction [75:14].
- Increase the threshold for BRB waiver from the current 10 acres and \$2 million [73:4].

The bullets below summarize the cities’ opinions about other solutions to political, statutory, or administrative problems:

- Simplify annexation process for those requesting annexation of contiguous area with no resident opposition [97:2].
- Simplify annexation/incorporation areas with a GMA compliant subarea plan providing for a transition of urban services, capital facilities funding and phasing if adopted by the county and by the city/town within any part of its UGA and the subarea [95:2].
- Create separate methods for large and small annexations [82: 10].
- Give counties the authority to initiate an annexation [38:48].
- Provide for a period of transition from governance by a special district board to governance by a city/town after annexation or incorporation occurs [21:51].

The cities agreed that simplifying the process would improve the current situation.

Questionnaire Results

This section shows the questions on the survey, and the number of responses to each question. The cities and towns made a large number of additional comments. Much of the following text is verbatim comments offered by the cities and towns. To protect the anonymity of the responding jurisdictions, ECO removed references to specific jurisdictions and UGAs.

Obstacles to Annexation

Objections of Citizens

- O-1. Unannexed communities have a strong local identity and citizens perceive they have no relationship with the annexing jurisdiction.
- 21% - Prevents annexation or incorporation
 - 50% - Problematic, but can be resolved
 - 29% - Not a problem
 - 0% - No opinion

Comments specific to question:

Specifically, many people bought property before UGAs were even established and wanted to live in a rural community. These same people don't want anything to do with any city and prefer to live "undisturbed" in what they perceive is a rural/county setting. They opposed their property being "converted" into a UGA and they definitely oppose annexation.

Residents may resist annexation because they fear that they will have a new mailing address or school district.

Much of our city's UGB is related to the city through sewer and/or water service, causing residents to believe they are already located in the city, when in reality they are not.

- O-2 Unannexed communities distrust the annexing government.
- 19% - Prevents annexation or incorporation
 - 60% - Problematic, but can be resolved
 - 19% - Not a problem
 - 2% - No opinion
- O-3 City/town residents do not want to annex the unannexed area.
- 14% - Prevents annexation or incorporation
 - 26% - Problematic, but can be resolved
 - 56% - Not a problem
 - 5% - No opinion
- 0-3 - City staff not trained or versed in process

O-4 The public lacks understanding of the annexation process.

9% - Prevents annexation or incorporation

74% - Problematic, but can be resolved

16% - Not a problem

0% - No opinion

Comments specific to question:

We invite residents to informational meetings in the very early stages of annexation to explain the process – regardless of whether it’s privately initiated or city initiated – and continually correspond with residents to keep them updated.

O-5 through O-8 are perceived as potential issues, but the city feels these fears and understandings can be identified and worked out through educational and public outreach efforts.

O-5 Unannexed residents fear new development and higher densities.

19% - Prevents annexation or incorporation

50% - Problematic, but can be resolved

29% - Not a problem

2% - No opinion

Comments specific to question:

Under county regulations, which re-zone at the time of each development, residents experience inconsistent development and higher densities – residents would likely prefer city consistency and process.

Lack of citizen awareness of implications of being in a UGA – citizens believe that densities will increase, when in fact counties often already require development at urban (i.e., city) densities.

Residents on the fringe, especially those who have lived on an outer fringe that has experienced “leap frog” type development, do not understand nor appreciate the concept of what “urban” entails. They do not like the density and intensity of development and comment to city councils about the negative impacts associated with a change from rural to urban. This manifests in a “why do we have to grow or change?” ideology. Councils are particularly challenged to satisfactorily respond to these comments and at the same time execute annexations with efficiency.

O-6 Unannexed residents expect taxes will rise with annexation.

33% - Prevents annexation or incorporation

56% - Problematic, but can be resolved

12% - Not a problem

0% - No opinion

- O-7 Unannexed businesses expect taxes will rise with annexation.
16% - Prevents annexation or incorporation
42% - Problematic, but can be resolved
30% - Not a problem
12% - No opinion
- O-8 Unannexed property owners do not want to bear the cost of extending urban services and infrastructure.
33% - Prevents annexation or incorporation
44% - Problematic, but can be resolved
23% - Not a problem
0% - No opinion
- O-9 Lack of consistency between city/town and county land use plans may create nonconforming uses and structures and development standards with annexation.
9% - Prevents annexation or incorporation
67% - Problematic, but can be resolved
23% - Not a problem
0% - No opinion

Comments specific to question:

We've issued letters of "administrative determination" to residents assuring them that the city will treat certain uses as legal nonconforming (if legally permitted in county).

Citizens do not understand grandfathering of nonconforming uses and structure.

Code enforcement – cities have more code enforcement regarding abandoned and junk vehicles, yard maintenance, etc. Lenient sign code – Businesses prefer county jurisdiction due to more lenient sign code provisions.

Even though there is a lack of consistency between the city and county zoning ordinances, issues regarding nonconforming status can be addressed as part of the annexation process.

- O-10. Additional comments regarding objections of citizens.

Most of our unincorporated UGA is comprised of large undeveloped parcels, and we control utilities; therefore landowners have been willing to annex.

Citizens are often successful in using county representatives to intervene in annexations, causing delay and uncertainty, in spite of having agreed-upon UGAs.

Certain areas have more problems than others.

Probably the three most common reasons people are opposed to annexation (that we hear) are: (1) taxes/rates will go up; (2) the city will require connection to sewer when I have a perfectly good functioning septic system; (3) we just don't want to be part of any city – we want to remain rural. Cities force too many rules/regulations on us. At the informational meeting, we answer all their concerns about rates/taxes (in almost all cases rates and taxes go down after annexation by our city). We changed our code two years ago to make it easier to continue using a functioning septic system.

To some extent, citizens in our unincorporated island like being isolated from the county and are worried about our city's "tighter" regulations – along with a misconception about higher taxes (they are actually lower).

Most unannexed property owners do not see the benefit of incorporation unless it results in a significant economic benefit that is often associated with utility and/or emergency services.

Annexation is an emotional issue for some residents. Our experience has been the concerns go away after annexation and that the fears generated before annexation do not come true and the new residents find that being a part of the city is not as negative as they were lead to believe. In our case, it usually is break even or cheaper to be in the city, so it is not a financial issue. Urban service provision is at a higher level in the city; especially police services. In general, the business community has been supportive of annexation.

Within our annexation areas, there is a diversity of opinion. Some strongly object, others mildly object.

Some citizens expect that the city should extend/upgrade infrastructure when annexed.

The GMA worked so that now most of our unannexed area already receives urban services from our city, and therefore they have no incentive to annex. Only when systems fail (i.e., septic tanks) do they consider annexation, and then our connection fees scare them off.

State Highway 167 and steep topography prevent easy access for emergency services and utility infrastructure to one UGA in King County.

We are a small town near a very urban annexation area. Many of the above questions don't pertain to our situation. Our annexed area is quite urban.

All of the issues above are problematic but resolvable provided the county will cooperate and implement city standards which are generally higher. As long as property owners can develop and use their property at lower county standards there is no incentive to annex.

Many of these items are “problems,” but extent of problem varies. Plus some “problems” are based on distrust, myth, and misinformation, such as the belief that residential taxes will rise or annexation enables development.

Survey implies that cities typically initiate annexation. State law requires property owners to do so, even with city support. Now we are seeing counties promote annexations.

Certain geographic areas are absolutely opposed to annexation.

Misperceptions about the effects of annexation (e.g., misinformation about taxes, land use, services) by residents/special districts can be a major hurdle for cities.

Some residents believe that their post office and mailing address will change. Residents may not trust the city’s estimates of the costs and benefits of annexation. Businesses may oppose annexation because the sign code may differ.

Residents believe the level and quality of public safety related services will decrease with annexation.

Some unannexed residents already have city water (pre-GMA) and operating septic systems and therefore have no incentive to annex. They wish to remain rural.

The objections noted above vary among the unincorporated subareas within our city’s designated UGA. Depending on the area, the objections may vary in intensity and degree.

Level of Service

O-11. Unannexed communities want to remain “rural,” and retain current LOS.

- 23% - Prevents annexation or incorporation
- 51% - Problematic, but can be resolved
- 21% - Not a problem
- 5% - No opinion

Comments specific to question:

Instead of calling unannexed communities “rural,” they should be called “unincorporated” because these are already urban areas.

O-12. Unannexed residents already receive urban services through special districts, and see no need to annex.

- 50% - Prevents annexation or incorporation
- 33% - Problematic, but can be resolved
- 14% - Not a problem
- 2% - No opinion

Comments specific to question:

The general public does not understand the levels of service are set by law and may vary. Also, while the rural or unincorporated area residents view themselves as rural, they demand the same level of services as the incorporated residents. Counties in general continue to provide urban services with the exception of sidewalks and sewers. Therefore, most residents just don't see advantages to being incorporated.

Our unannexed areas already receive all services at urban levels, with the exception of police services.

The scale of problems vary. In our city unannexed residents already receive city services via interlocal agreements, and thus see no reason to annex.

There are several special service districts in our city's UGB. Additionally, there is a current effort to establish a park district. It is a sewer district that has historically led to difficulty with annexing one area in particular.

O-13. Unannexed residents feel they have adequate or better services with the county or special district.

30% - Prevents annexation or incorporation

23% - Problematic, but can be resolved

42% - Not a problem

5% - No opinion

Comments specific to question:

Residents already obtain services from the city via a network of agreements among service providers, so LOS is little incentive to annex. Police is the one service that could be improved via annexation.

In our city, most unannexed property owners are receiving the same level of service as those in the city because fire, water, and natural gas are provided to city and UGA residents alike.

County maintains acceptable level of service, which reduces motivation to annex to city.

This is particularly true in regards to special districts that provide fire services and to a lesser extent water/sewer services.

Fire and emergency medical services are provided at a higher level in the unincorporated area. Annexation would result in reduction of these services.

What is meant by "adequate" and "better"? It is not relayed that the special districts provide "better" service than our city would provide. More a sense of things are adequate, so why change them.

O-14. Unannexed residents already receive key urban services (e.g., parks) from neighboring jurisdictions, but do not pay for the full cost of those services.

30% - Prevents annexation or incorporation

49% - Problematic, but can be resolved

16% - Not a problem

5% - No opinion

Comments specific to question:

Unannexed residents not only receive services from typical utility and fire districts, they also benefit from port, library, hospital, and health districts without paying.

Unannexed residents often enjoy city services such as parks without having to pay for those services.

Unannexed residents enjoy the benefits of the city without any financial obligations and contributions for services.

O-15. The county and the annexing city/town do not plan jointly to ensure a consistent level of service in the city/town and unannexed area.

19% - Prevents annexation or incorporation

43% - Problematic, but can be resolved

33% - Not a problem

5% - No opinion

Comments specific to question:

County neither plans for nor provides urban services within “non-associated” UGAs.

County is allowed to “skate” on capacity and LOS issues in UGAs.

The county’s standards are substantially lower than the city’s which creates more infrastructure problems for the city to absorb when the area is annexed.

Unannexed residents want urban services at level provided by city, however the county is unable to help the city bridge the gap of “one-time costs” and “ongoing costs” of annexation. One-time costs include catch up costs to bring certain facilities, such as roads and parks up to the city minimum standard, and the one-time costs needed to commence service (for example, the cost of equipment needed for city staff to perform their work). Ongoing costs include the annual cost of providing service, plus the additional employees needed.

There are many potential obstacles to annexation if the city and county do not cooperate and structure services and standards to encourage annexation.

In some cases, counties and cities have not laid the foundation for LOS coordination through their county-wide planning policies.

Counties and special districts are under no statutory requirement to coordinate with cities in UGA joint planning to facilitate future annexations.

Clark County and our city have not developed consistent level of service standards; therefore, citizens do not receive consistent levels of service in areas such as police, transportation, zoning, and solid waste upon annexation. These inconsistencies used to be much greater, but the county and city have been working together over the past 15 years to reduce them. This is an ongoing task as ordinances are constantly being developed and revised.

O-16. Annexation of a large portion of a special district hinders the district's ability to provide service efficiently to the reduced district.

19% - Prevents annexation or incorporation

36% - Problematic, but can be resolved

33% - Not a problem

12% - No opinion

Comments specific to question:

This is a problem if the city annexes a portion of our potential annexation area and leaves a relatively small portion of the fire district in the remaining unincorporated area.

It is possible that our city can work with the special service districts to ensure their funding and service-provision issues are addressed. The city and Fire District 5 developed an interlocal that allows the city to provide fire service to property located in District 5 while working with the District to ensure the level of service is appropriate.

O-17. Additional comments regarding level of service.

Counties claim to support annexations under GMA but often have attempted to fund urban level services in these areas. Residents don't have clear picture of what they would gain under incorporation.

Efficient = business-like. It is very difficult to assign an exact dollar amount to service and thus to compare costs. A good fiscal impact model could be developed that cities can use to plug in values, making a business case to residents for annexation.

On a daily basis we hear from residents wanting to be annexed because they want to develop their property and need water/sewer from the city. The county doesn't provide these services and they think the city owes them water/sewer (capacity). In some cases, they're angry that we wouldn't issue water availability on a two-acre subdivision, yet we entered into an Annexation Utility agreement for an 80-acre plat and are giving them services.

The level of service for roads, or more particularly the perception thereof, significantly weighs in on an annexation. Would-be residents want to annex and likely figure that the annexing city will either fix existing road problems or make capacity improvements to the

roadways. Without meaningful education as to how and when roads are improved, many residents may feel annexation will have no impact and will then stay as-is.

In our case special districts (fire and water/sewer) have opposed annexations. This includes appealing to the courts. We have one annexation which we started in 1999 and is still in the courts. We have received approval by the boundary review board, Superior Court, Appeals Court, and the fire district has requested review by Washington Supreme Court.

The lack of parks to serve new subdivisions and neighborhoods in Snohomish County is a major concern of the cities. Annexation results in an erosion of park/open space LOS and major costs to retrofit existing park-deficient neighborhoods.

Most homes in the UGA are on septic and receive water from a separate water district. Topography makes provision of water and sewer by our city problematic.

While subarea planning is helpful in preparing areas for annexation, differences in how regulations are interpreted and applied to projects can lead to development that is not attractive to the annexing city. A clear understanding as to how to distribute tax revenue and spend impact fees in areas targeted for annexation is also very important.

As noted above, the subareas differ widely in the quality and types of service received so depending on the subarea, the answers to the above questions will vary.

Costs and Revenues

O-18. The lag between the time a city/town annexes an area and the time that city/town receives the associated property tax revenue.

- 12% - Prevents annexation or incorporation
- 63% - Problematic, but can be resolved
- 23% - Not a problem
- 2% - No opinion

O-19. The lag between the time a city/town annexes an area and the time that city/town receives the associated sales tax revenue.

- 7% - Prevents annexation or incorporation
- 58% - Problematic, but can be resolved
- 35% - Not a problem
- 0% - No opinion

O-20. The revenue generated by the annexed area is inadequate to pay for expected increased costs to provide services to that area.

- 60% - Prevents annexation or incorporation
- 26% - Problematic, but can be resolved
- 14% - Not a problem
- 0% - No opinion

Comments specific to question:

Operating costs not recovered in residential areas, which must receive subsidy.
Combining the revenue and cost analysis, our city's PAAs (potential annexation areas) would cost more to serve than they would generate in revenue to the city. Each PAA studied would have a net operating loss and substantial start-up expense.

Much of the unannexed territory is low- to medium-density, single-family residential areas. These areas do not pay for the urban services they require, creating a disincentive to annex them. Without some mechanism to offset this imbalance, the unincorporated area is caught in the middle.

O-21. The annexation process is expensive for small annexations.

- 19% - Prevents annexation or incorporation
- 60% - Problematic, but can be resolved
- 19% - Not a problem
- 2% - No opinion

Comments specific to question:

It is only expensive for election annexations, of which there are very few in our city.

O-22. The county is reluctant to invest in infrastructure because that investment is lost with annexation, and there is no reimbursement from the annexing city/town.

- 29% - Prevents annexation or incorporation
- 46% - Problematic, but can be resolved
- 12% - Not a problem
- 12% - No opinion

Comments specific to question:

Through our ILA (interlocal agreement) with Snohomish County, we have developed a joint capital planning/implementation program that theoretically allows investment to continue with out worry. However, this program has never been used.

Special districts have fought our annexations and it comes down to loss of revenues and customers. In the past, the county has been concerned about infrastructure improvements and the city annexing the land when the county has made improvements. In one of our last annexations we reimbursed the county for road improvement expenses. We have moved our Municipal Urban Growth Area back from parts of the county we once considered potentially a part of our city. The reason is the lack of investment by the county and the great needs in the area for street, drainage, and utility improvements. Our elected officials thought it would be too costly for us to take on the burden.

O-23. A county's development review fees are lost if annexation occurs before a permit is issued.

0% - Prevents annexation or incorporation

44% - Problematic, but can be resolved

26% - Not a problem

30% - No opinion

Comments specific to question:

Add building permit fees, because this is where revenue is generated.

O-24. There is inadequate financing to bring infrastructure in unannexed areas up to urban standards.

57% - Prevents annexation or incorporation

36% - Problematic, but can be resolved

5% - Not a problem

2% - No opinion

Comments specific to question:

Our city and many other cities have undertaken fiscal impact studies that conclude costs of remediating infrastructure deficits far outweigh tax revenues. Taxpayers that can simply elect not to pay taxes while demanding services make the equation even more difficult to justify.

This is an issued experienced by the county in "non-associated" UGAs – the cities don't have this problem serving their UGAs.

The inability of the annexing jurisdiction to impose utility taxes on special districts/utilities reduces the potential revenues from the annexed area. This could prevent annexation. This can also force a "special district takeover."

Our issue directly relates to the fact that residential development does not pay for itself in the long run. (There is minimal development existing or proposed in our UGA.)

Annexing and then developing land that will result in a decrease of levels of service to existing residences is difficult to accept. One solution may be a general facilities impact fee used to pay for operations of general government.

Inheriting poor infrastructure levels of service in urban growths areas is a major obstacle to annexation.

Either the county needs to require that land use decisions for developments located in our city's UGB are conditioned to meet the city's level of service standard requirements, or they should commit to making improvements to bring into conformance any substandard infrastructure prior to annexation.

Due to the fact that most of our city's urban growth boundary (UGB) is developed prior to annexation, and historically it was done in a manner inconsistent with the city's level of

service standards, annexation is often a financial burden because annexed property owners want the same services provided to the rest of the city.

O-25. Impact fees collected in unannexed areas have not fully mitigated impacts.

26% - Prevents annexation or incorporation

56% - Problematic, but can be resolved

14% - Not a problem

5% - No opinion

Comments specific to question:

There is confusion with this question because the impact fee program is not designed, as defined by the courts, to fully mitigate development impacts.

O-26. Jurisdictions cannot spend impact fees on planning for capital facilities.

7% - Prevents annexation or incorporation

42% - Problematic, but can be resolved

37% - Not a problem

14% - No opinion

O-27. Counties and special districts lose substantial revenue when an area is annexed.

19% - Prevents annexation or incorporation

40% - Problematic, but can be resolved

26% - Not a problem

14% - No opinion

Comments specific to question:

This is a problem if annexation of a portion of the PAA leaves a small remaining portion of the fire district in the unincorporated area.

Preservation of the “territories” of firmly entrenched special districts is always a factor and often a basis for appeals and delays. The districts are not anticipating and planning for their own eventual demise.

As the responsibility of providing most urban services shifts to our city upon annexation, then it makes sense that the revenue also shifts. Special districts that continue to provide services to the annexed areas (i.e., schools, library, port) will continue to receive their revenue. The county also continues to receive revenue for provision of regional services (i.e., courts, elections, tax collection) through their general fund.

O-28. Additional comments regarding costs and revenues.

There is tension between the previous LOS (level of service) obstacles (cities are best able to provide urban services) and cost/revenue obstacles (it’s too expensive for cities unless counties or residents pitch in first). Counties don’t spend road taxes in dedicated areas.

Where cities have extended certain utility services (e.g., sewer, water) and they do not charge an “out-of-city” rate (usually 1.2-1.5 times the “in-city” rate), annexation is even more problematic. If residents are paying an increment more in a monthly utility bill, they are more likely to support annexation. It is my experience that residents are willing to accept an increase in the total property tax rate, as long as this is offset in the utility bill.

Loss/gain of tax revenue is not much of an issue in our city as the UGA is predominately large lot single-family residential.

Generally, there is a perception that the city sets property tax rates, not the county assessor.

All of the problematic issues can be resolved through interlocal agreement if there is adequate legal authority and a political commitment to do so. Fiscal feasibility is the fundamental threshold that must be resolved to make annexation work.

Extent of each problem varies greatly; in general our city has been willing to annex areas despite fiscal impacts.

Impact fees are used for more regional facilities and are not specific to the smaller neighborhoods or developments generating the fees.

Politics, Statutes, and Administration

O-29. State annexation statutes are not consistent with GMA goals.

- 38% - Prevents annexation or incorporation
- 29% - Problematic, but can be resolved
- 21% - Not a problem
- 12% - No opinion

Comments specific to question:

A change in legislation is required to bring the annexation statutes into conformance with the GMA goals.

O-30. Please provide specific examples of inconsistent state statutes.

It is problematic depending on instance. Our UGA, as adopted by the county council, is rather irregular in shape. Thus, there is a conflict with the BRB rules that require them to avoid irregular boundaries. Yet, under GMA our goal is to annex all areas with the UGA.

Requirement to have voted annexations should be a post-GMA relic. Coordination with special districts lacking. Tax policies often mean annexing jurisdiction is left without finances to deal with issues.

Requiring referendum and interlocal agreements for unincorporated island annexations, allowing annexations to be challenged on non-GMA basis.

This is a significant problem if junior taxing jurisdictions, especially Fire, will lose tax base. This issue does not exist for our city.

The annexation and related laws as written and amended over the years have made annexations harder to do. There has been no change to the laws to help implement GMA and have cities provide urban services. The factors to be considered and the objectives of the board review criteria allow BRBs to deny an annexation based on one factor or objective even though you conform to all others. This is a giant threshold to overcome. Basically, a BRB can find a reason to deny any annexation under the current law. The Legislature also passed a law that says signatures on petitions are good for six months. This has been a problem for larger annexations. Corporations are hard to get signatures from in a short time because of their decision process and getting to the right person. Related to legal descriptions this has also become a burden related to the state of Washington administratively. Legal descriptions are prepared by cities and then checked by the county auditor. The state of Washington at one time accepted these descriptions when certified by the county auditor. Now they do their own review and which adds time to the state process. Plus cities incur added time and costs because they need to provide them assessor maps so they can do their review. This review time could cause cities to miss tax collection deadlines so property and sales tax revenues are delayed one year or a quarter. For first class cities there is the requirement to get 75 percent of the assessed valuation signed on a petition. This excessive requirement, compared to the majority of other cities who only need 60 percent of the assessed valuation on the petition, discourages annexations by first class cities.

Too dependent on voter approval. BRB process seems duplicative.

The annexation process should be streamlined within UGAs when the annexation is within a PAA designated by the city's comprehensive plan.

Islands should be able to be annexed easier than they are, and there should be no referendum option...or, there should be a much higher threshold for invoking the referendum petition.

Small cities that located on former arterial highways but now are by-passed by the interstate highway by several miles and consequently are cut off from the river of commerce. Often such smaller cities are unable to grow responsibly towards the new stream of commerce because of significant intervening critical areas. Cherry-stem UGAs and annexations are generally discouraged. However, under GMA a county may create an industrial landbank or a new planned community at the freeway interchange if it has a need to create new employment centers. However, a city may be foreclosed from reaching the freeway and providing urban services to the growth area during the 20-year horizon because it must grow contiguously from the center outward and must rely upon the OFM population forecast. By the time the city has the population base to justify the UGA

expansion to the freeway, the county may have already created a new community or at a minimum a county-managed industrial area. The net result could be a new urban pod at the freeway and an older community without a tax or employment base, physically cut off from a brighter economic future. That was not the intent of GMA.

If a special district does not provide sewer and water to the unincorporated area, the municipality has committed to provide those services with no incentive for the area to annex prior to provision of the services. While we may get no protest agreements for the provision of services, the GMA did not address a way for the municipality to annex the land easily. Once the provision of services is there, it becomes purely a political decision to annex and that just doesn't happen and most likely will not happen unless laws are changed. The assumption that growth areas will become part of the municipality is an erroneous assumption.

Cities can annex municipally owned property that is not contiguous to the municipal limits; cities cannot annex property outside the UGAs.

Statutes don't seem to be consistent and GMA legislation may need to be fixed related to concurrency being required to transportation, parks, schools, and other infrastructure. Airport legislation RCW 14.08.330 and RCW 14.08.120(2).

The boundary review board process is an unnecessary obstacle if you have achieved an interlocal agreement between the county and city to address the issues outlined above.

Conflict is not direct, but rather one of spirit of the laws. Goals 1, 2, and 12 call for urban services in UGAs, but difficult annexation processes result in cities being pressed to provide services outside city limits in areas where municipal authority and constituency representation is limited; i.e., problem includes a version of "taxation without representation."

Without going into a great deal of detail, a primary tenet of GMA is that land within a city's UGA is intended to develop at urban density and be served by urban services. In effect, this area has, through the UGA designation process, been identified for incorporation into the associated city at some future time. A streamlined annexation process would be better suited for this situation.

The Growth Management Act establishes a system by which cities are expected to annex their urban growth areas over time. The statutes, however, do not obligate counties and special districts to actively cooperate with cities in these annexations nor do they provide simpler tools for cities to use (e.g., allowing perfunctory annexations of UGA areas already served by city utilities). Also, the overall BRB process, with long comment periods and the easy ability for parties to invoke jurisdiction, runs contrary to this GMA statutory intent by making annexations more burdensome.

GMA anticipates annexation. Why then a lengthy BRB process to revisit our approved work and our required public participation program used when establishing our UGAs?

Special purpose districts need not comply with GMA.

BRB process is unnecessary where GMA county-wide planning policies identify appropriate annexing jurisdiction.

Basically GMA and annexation laws on the whole are inconsistent. A quick review of BRB criteria will show that they have plenty of ammunition to kill annexations if they wish.

O-31. The role and criteria of the boundary review boards (BRBs) may not support GMA goals.

- 31% - Prevents annexation or incorporation
- 40% - Problematic, but can be resolved
- 17% - Not a problem
- 12% - No opinion

Comments specific to question:

The BRB criteria is often contrary to the GMA and would require a change in legislation to bring them into conformance. In addition, the BRB often acts like a zoning authority by interpreting the GMA goals as part of their decision. Therefore, they supersede the position of local decision-making authorities regarding land use decisions. For example, a recent annexation proposal included a comprehensive plan/zoning change that would allow for some mixed-use/residential development, leading a BRB member to recommend their jurisdiction be invoked so the school district could comment. But city council had already held the land use hearings and made the zoning decision contingent upon annexation, forwarding said decision with the BRB application package – and the school district did not have an issue with the decision.

O-32. The BRB process adds cost and uncertainty to annexations.

- 40% - Prevents annexation or incorporation
- 47% - Problematic, but can be resolved
- 2% - Not a problem
- 12% - No opinion

Comments specific to question:

I cannot say enough about what impacts a BRB has on a proposed annexation. To reiterate the enumerated points, the BRB process is time consuming, expensive, and leads to oftentimes-petty conversations and jurisdictional nit picking. Short of abandoning BRBs in fully planning GMA counties and cities, one solution is to narrow or redefine the scope of review of the BRBs so they become true facilitators of annexation rather than obstacles or pawns for special purpose districts.

The BRB process should be simplified/truncated to eliminate procedural steps for annexations, particularly less complex ones.

The cost of producing the BRB application package, and the costs associated with potential hearing(s), can be costly. It is the uncertainty that is the most costly aspect of the BRB.

O-33. The threshold for invoking BRB jurisdiction is too low.

37% - Prevents annexation or incorporation

33% - Problematic, but can be resolved

5% - Not a problem

26% - No opinion

Comments specific to question:

The threshold for invoking BRB jurisdiction is outdated and far too low. A much broader set of criteria should be established to encourage annexation of urban areas.

O-34. Parties outside of annexations can request BRB review.

35% - Prevents annexation or incorporation

28% - Problematic, but can be resolved

7% - Not a problem

30% - No opinion

Comments specific to question:

By allowing parties outside an annexation to invoke the BRB jurisdiction, even annexations with the required support can be stalled or denied at a cost.

O-35. BRB process and criteria place the burden of proof on the city/town rather than petitioners for review.

35% - Prevents annexation or incorporation

28% - Problematic, but can be resolved

14% - Not a problem

23% - No opinion

O-36. The special process of annexing islands is costly and uncertain for cities.

40% - Prevents annexation or incorporation

26% - Problematic, but can be resolved

14% - Not a problem

21% - No opinion

Comments specific to question:

In our city's experience, islands result from redrawing annexation boundaries to exclude properties opposed to annexation. Assuming ownership hasn't changed, processing an island method of annexation is not likely to be successful because the same people opposed to the first annexation can essentially repeal the city's resolution through the referendum process. There is at least one island the city would like to annex now but there are four registered voters in the area. As few as one of those voters has the power to refer the entire annexation issue back to the four registered voters (who opposed it to begin with). The likelihood of success is slim so the city has never pursued it.

Island annexations require a referendum. While not a local issue, this is a problem.

O-37. Cities cannot do an active public relations campaign for election annexations.

40% - Prevents annexation or incorporation

30% - Problematic, but can be resolved

9% - Not a problem

21% - No opinion

Comments specific to question:

Without the ability to conduct a strong public relations campaign, most annexations fail.

Our city has completed 128 successful annexations, of which only five were elections.

O-38. Counties cannot initiate annexations.

14% - Prevents annexation or incorporation

12% - Problematic, but can be resolved

53% - Not a problem

21% - No opinion

Comments specific to question:

Because it is the city that will be taking on the long-term responsibility for an area following annexation, without a strong voice in how the area is developed, then it is appropriate that counties do not have the ability to initiate annexations.

O-39. Special districts oppose annexations, resulting in increased process costs and uncertainty.

44% - Prevents annexation or incorporation

33% - Problematic, but can be resolved

14% - Not a problem

9% - No opinion

O-40. Elected officials are reluctant to enter into interlocal agreements.

9% - Prevents annexation or incorporation

40% - Problematic, but can be resolved

47% - Not a problem

5% - No opinion

O-41. It is difficult for counties to work with development standards of multiple cities in one UGA.

2% - Prevents annexation or incorporation

58% - Problematic, but can be resolved

12% - Not a problem

28% - No opinion

O-42. Development standards differ between cities and counties.

12% - Prevents annexation or incorporation

70% - Problematic, but can be resolved

16% - Not a problem

2% - No opinion

O-43. County-wide planning policies do not facilitate annexations.

10% - Prevents annexation or incorporation

18% - Problematic, but can be resolved

63% - Not a problem

10% - No opinion

Comments specific to question:

Value method prevents annexation of partially developed areas because homeowners typically hold more clout over vacant landowners who have more motivation. Also new homes (generally with more value) hold hostage older homes needing to replace failing septic. Voter/Acreage method – should read percent of voters in last general election (not resident voters) because the voter roles for an area typically contain about 30 percent of persons not residing in the area to be annexed.

O-44. Please provide specific examples of planning policies that hinder annexations.

County uses an “urban subsidy” to subsidize costs of providing urban level service to rural and unincorporated areas. As a result, residents fail to see what they gain from annexation.

County refuses to expand UGA because the city uses septic systems.

It really is at least a perceived fiscal problem. Counties covet their road tax and even if you have consistent development standards the road tax subsidizes rural road maintenance.

County policy of allowing new development while leaving the neighborhood parks for the cities to provide after annexation.

County-wide planning policies supporting annexation do not go far enough by setting specific timelines and incentives to accomplish interlocal agreements leading to annexation. CPPs requiring the county to adopt city development standards for defined UGAs would be one straightforward step to reduce barriers to annexation.

Really applies more to incorporations, where the stakes are much higher.

Can be addressed through a good interlocal agreement.

The county does not appear to support annexation at the policy level. In fact, the Board of County Commissioners initially opposed the last two annexation requests containing 100

percent support of affected property owners and supported by our city and the city's comprehensive plan, 10-Year Annexation Plan and Community Framework Plan.

O-45. The lack of predictability discourages investment by all local jurisdictions.

19% - Prevents annexation or incorporation

40% - Problematic, but can be resolved

24% - Not a problem

17% - No opinion

O-46. Cherry picking by cities/towns (i.e., annexing properties representing existing or likely revenue sources and leaving low revenue and high service-cost properties for counties and special districts).

22% - Prevents annexation or incorporation

27% - Problematic, but can be resolved

41% - Not a problem

10% - No opinion

Comments specific to question:

Cherry picking may have occurred in the past and may yet happen in selected cases.

However, our city and many other cities have never had a revenue neutral annexations much less one that generated surplus income. Yet we are regularly beaten up about this issue.

This is not a problem with many of the remaining annexations, although it's what caused many of the current problems.

Not all cities "cherry pick." Opponents of certain annexations make accusations that cherry picking is happening, but in fact when you look at annexations in total it is not cherry picking. One annexation may be seen as cherry picking but when viewed in the context of all annexations it is not a problem. BRBs have a solution under the law which is to add land area on to annexations and our experience is it is rarely used.

The cherry picking that occurred many years ago allowed the city to utilize sales taxes as a substantial revenue source, which has served us well. However, the remaining unincorporated annexation area has little sales tax base and this would create a revenue shortfall for the city if we were to annex the area.

O-47. Additional comments regarding politics, statutes, and administration.

Petition method annexations are not practical for large residential areas, so, with only a couple of exceptions, our city has largely resorted to election method annexations for the past 10+ years. These are costly and difficult to do, largely due to the limitations on city campaigning and the uncertainty of the outcome.

Statutory requirements are process heavy and archaic. Too many deadlines, etc. Our county BRB did not initially have a good grasp of what happened with regards to the court decisions. Time delays, with regards to getting comments on maps/legal descriptions at the BRB are problematic. Staffing at our BRB should be increased to provide better assistance to annexing entities.

Since county governments are set up as commissioner districts, the perception that a commissioner represents “a” district poses some problems. It creates some unpredictable results when a logical annexation arises when two commissioners see it as a “loss” for county-wide issues.

Our city’s UGA includes the urban areas of McChord AFB and Ft. Lewis. Efforts at annexation failed, however. Although this was a unique situation not common to most cities, this survey fails to take into account the process of annexing federal installations.

Lack of incentives for owners to annex. High levels of service provided in unincorporated areas. GMA pressures to “densify” results in high-density undesirable development on the fringes of cities that conflicts with the growth objectives of the cities.

Where city and county standards or taxes differ substantially, owners may not consent to annexation. Yet GMA mandates and utility laws place pressure on cities to provide urban services in UGA. Combination of annexation law’s high voter/owner affirmative approval requirement with resulting boundaries, and of BRB oversight creates uncertainty. Laws should either reduce voter/owner approval requirement and use BRB as review body for objectors; and/or provide that if substantial support for annexation exists from owner/voters and county, then annexations in UGA are not subject to BRB review.

It appears that some BRBs have incompatible rules and/or make them up as they go. County staff are not familiar with urban issues and do not always interpret city regulations in a manner consistent with the city.

Solutions to Obstacles

Objections of Citizens

- S-1. Eliminate the property owner petition method of annexation, and require approval by a majority of voters in the area to be annexed.
- 2% - Large improvement
 - 12% - Small improvement
 - 5% - No change
 - 61% - Would make situation worse
 - 20% - Not a feasible solution
 - 0% - No opinion

Comments specific to question:

Depending on the situation, it's harder to gather enough signatures from registered voters than signatures from property owners where some property may represent a significant amount of value or acreage. On the other hand, as has been happening frequently in our city's UGAs, the people who want annexation the most want it because they are ready to develop their vacant/underdeveloped property (which also means very low assessed value). They may own 30 acres but the property is valued so low that their signature based on assessed value still doesn't count for much.

The petition method still puts a lot of staff time on the side of the smaller cities. Residents basically lean on us to provide information and process assistance. Often we do not have the staff time.

Property owner petition is the preferred method. Some annexations don't have voters within the boundaries.

We still need property owner petition method for annexation of vacant areas – usually industrial.

By removing the petition method of annexation, the support cities have generated over the past three decades through the utility service covenants would be lost, and cities would be providing sewer/water and other services without the ability to rely on the property owners for support of future annexation efforts.

S-2. Restructure the public involvement process and require the involvement of city/town and UGA citizens earlier in the process.

7% - Large improvement

19% - Small improvement

47% - No change

16% - Would make situation worse

9% - Not a feasible solution

2% - No opinion

Comments specific to question:

We already involve citizens in the UGA from the very beginning – starting with an informational meeting to explain why the city is considering annexation, what it would mean to them, changes they'll experience after, etc. This approach has been very helpful in terms of bettering public relations with the citizens and allaying any misconceptions about property taxes, requirement to connect to sewer, nonconforming uses, etc.

Distribution of accurate info to citizens is difficult because of the need to negate misinformation. Since annexations are often reluctantly initiated by developers seeking utilities, they are not true advocates. But if staff is too active in providing info they are perceived as inappropriate advocates.

Most cities already undertake public information measures related to annexations and are required to hold public hearings, so there is not a need for new legislation mandating more public involvement.

What constitutes “earlier in the process”? Our city has worked with all property owners in an area to be annexed prior to even holding a 10 percent meeting.

- S-3. Impose a service charge on unincorporated urban islands that counties can transfer to cities/towns to provide services.

33% - Large improvement

31% - Small improvement

7% - No change

7% - Would make situation worse

5% - Not a feasible solution

17% - No opinion

Comments specific to question:

This may help the city recover costs for services but it is likely to make the residents in the island areas even less likely to sign an annexation petition (or more likely to opt for referenda to repeal the annexation if the city annexes by ordinance). Imposing additional fees would make them even less amenable to an eventual annexation.

I am not sure what this solution is trying to do. Does this mean the affected city could keep the money? Does this mean the fee would go away after annexation? I believe any increase in revenue to a county from an unincorporated area would make annexations harder to do. Counties would then lose revenue if the area were annexed and this would be hard for them. They would be more likely to oppose annexations.

Impose a service charge on unincorporated UGAs that counties can transfer to cities/towns to help provide services. This should go to a specific account – i.e., roads, sewer, water, etc.

Perhaps the best solution regarding islands would be to develop stronger legislation to promote annexation enabling all impacted service providers the ability to provide more efficient service provision instead of increasing taxes and encouraging additional cause for negative relationships between property owners and local jurisdictions.

- S-4. Additional comments? Other solutions to citizen issues?

Eliminate citizen role. The state says under GMA that urban areas should be in cities yet puts in place mechanisms for residents to fight it. Should be via government-to-government contract with public information and input taken by city council and County Board.

Annexation statutes are both straightforward and complex because they have been amended so many times solely for various special purposes. Citizens continue to think of

these as governing issues, when the reason for a lack of speeding-up of annexation pacing are always (or have been) fiscal or business (the related service issue).

Create a process for the county and city to encourage annexations and especially entire growth areas to annex including the assumption of special districts. This would also reduce the number of elected officials and increase accountability.

Revising the GMA and annexation laws to require one comp plan and one set of development regulations for a UGA then allowing simplified annexation without other obstacles outlined above would dramatically streamline the process and increase the value of the GMA.

Level of Service

- S-5. Require cities/towns and counties to plan jointly to ensure that unannexed areas receive urban levels of service that support urban development and a smooth transfer of governance.

37% - Large improvement

23% - Small improvement

23% - No change

2% - Would make situation worse

9% - Not a feasible solution

5% - No opinion

Comments specific to question:

Requiring cities/towns to enter into interlocal agreements for joint planning would add another layer of required planning without necessary funding. Such agreements may be helpful in specific situations but should be voluntary between the county and city(ies).

Requiring joint planning between a city and county only works if both jurisdictions are politically motivated to adopt/implement those plans. If one jurisdiction does not actively cooperate, the whole annexation process can be held hostage.

City and county should prezone the UGA and adopt city development standards in those areas.

Legislation should encourage annexation by requiring that development does not occur in the unincorporated UGA unless it conforms to the related city's standards.

- S-6. Authorize annexation based on adequate planning by the city/town to provide water, sewer, and other urban services.

51% - Large improvement
26% - Small improvement
19% - No change
0% - Would make situation worse
2% - Not a feasible solution
2% - No opinion

Comments specific to question:

Who would be authorizing these annexations? If this is referring to the concept of “interlocal agreement annexations,” then our city has been a supporter of this method.

- S-7. Put a moratorium on expanding the UGA unless a city/town enters an interlocal agreement committing to annexation with urban services.

21% - Large improvement
24% - Small improvement
7% - No change
26% - Would make situation worse
7% - Not a feasible solution
14% - No opinion

Comments specific to question:

Implementing this suggestion would put a “no-growth” city in the favorable position of not having to grow, thus shifting the burden to all the other cities in the county.

We understand this statement to mean that counties would not be allowed to expand a city’s UGB unless the city accepts the responsibility of annexing the area and provide urban services. This is a position that our city would support.

- S-8. Where unannexed residents are not paying the full cost of services they receive, allow a county or special district utility tax to support those services.

26% - Large improvement
30% - Small improvement
12% - No change
14% - Would make situation worse
9% - Not a feasible solution
9% - No opinion

Comments specific to question:

This would help counties pay for urban services, but may not help with annexation.

This would be a large improvement only if the utility tax revenue was available to the annexing city and only as a temporary measure. Otherwise, counties could be tempted to continue unincorporated taxes/status forever.

Sustaining and, in fact, enhancing the notion that an area can be rural but receive urban levels of service is contrary to GMA and annexation.

Our city has a well-defined situation in which many of the residents of the unincorporated local island largely receive the urban services they desire and see no need to annex – or else they are afraid of change (e.g., stricter city regulations) and fearful of higher taxes (our city's taxes are actually lower than the county's).

Counties should not be providing urban level of service in unincorporated areas. Health Districts should not be approving septic systems in unincorporated areas within UGAs.

Need to expand this to cover costs of other special districts.

This suggestion is not clear. Unpaid services are often provided by cities thru agreements. Would “support” mean allowing counties and districts to forward funds to cities?

S-9. Additional comments? Other solutions to service issues?

Cities need better support from county so as to assist with a better transition/annexation of UGA properties.

State law should be changed so cities can merge special districts into their operations very easily once there is an agreement between the county and cities on future city boundaries within UGAs. A lot of taxpayer money is being spent fighting annexations by special districts. Another solution could be limiting the appeals of annexations by special districts to very specific criteria which deal with district issues related to service transition.

Need to address the assumptions of special districts automatically if annexed. The political fiefdoms are duplicative and expensive.

Minimize LOS in unincorporated areas while assisting the cities in correcting deficiencies. This would provide a stronger incentive to annex.

All of the potential solutions listed would be helpful.

Require that current subdivision and development be designed to accommodate further subdivision, and plan the streets and utilities necessary to serve it.

Developers/property owners are responsible for extension of services (or the creation of) and LID or other mechanism for paying for services/utilities.

Costs and Revenues

S-10. Revise state statutes to reduce the lag time between annexation and receipt of property tax revenues.

- 52% - Large improvement
- 36% - Small improvement
- 5% - No change
- 0% - Would make situation worse
- 2% - Not a feasible solution
- 5% - No opinion

S-11. Revise state statutes to reduce the lag time between annexation and receipt of sales tax revenues.

- 48% - Large improvement
- 36% - Small improvement
- 7% - No change
- 0% - Would make situation worse
- 2% - Not a feasible solution
- 7% - No opinion

Comments specific to question:

Only if this can be done without negatively impacting the Department of Revenue and Office of Financial Management.

S-12. For unannexed areas that cost more than they raise in taxes, create a state fund to support the upgrade of infrastructure.

- 63% - Large improvement
- 26% - Small improvement
- 0% - No change
- 2% - Would make situation worse
- 9% - Not a feasible solution
- 0% - No opinion

Comments specific to question:

This would be supported by cities, including our city, but would face high political hurdles.

This demonstrates state support in ensuring urban level of service standards will be applied to development within the UGB. Also consider prohibiting urban and rural developments in the UGB that don't meet the city's minimum urban standards.

S-13. For unannexed areas that cost more than they raise in taxes, authorize a utility tax surcharge for the transition period.

- 37% - Large improvement
- 40% - Small improvement
- 5% - No change
- 14% - Would make situation worse
- 5% - Not a feasible solution
- 0% - No opinion

Comments specific to question:

Additional taxes and charges as a result of annexation discourage development of a strong relationship between the city and property/business owners and residents in annexed areas.

S-14. For unannexed areas that cost more than they raise in taxes, require counties to pay annexing cities/towns some portion of the costs to provide services during an established transition period spanning pre- and post-annexation/incorporation.

- 58% - Large improvement
- 33% - Small improvement
- 2% - No change
- 2% - Would make situation worse
- 2% - Not a feasible solution
- 2% - No opinion

S-15. Shift the distribution of sales tax revenue so that jurisdictions with little retail receive some of that revenue.

- 21% - Large improvement
- 16% - Small improvement
- 21% - No change
- 19% - Would make situation worse
- 14% - Not a feasible solution
- 9% - No opinion

Comments specific to question:

This would create winners and losers in sales tax revenue. This is an issue unrelated to annexations and is related to the passage of I-695. The sales tax equalization item should be handled by the Legislature and should not take revenue away from any cities.

A “sales tax equalization” approach may encourage unincorporated areas with no/limited sales tax activity to incorporate.

In a county where the sales tax collection is below the state average, this is not a viable option.

- S-16. When a city/town annexes an area that removes substantive revenue from a county or special district, require the city/town to enter into an agreement with the county or special district for revenue sharing or capital project reimbursement.

10% - Large improvement
24% - Small improvement
24% - No change
26% - Would make situation worse
12% - Not a feasible solution
5% - No opinion

Comments specific to question:

For capital project reimbursement, this makes some sense for some projects. Other revenues for general government sharing would be a problem. Taking area away from a county means they do not have to serve that area. They continue to receive the property tax for general government and a portion on the sales tax.

Unprofitable annexations may decrease the level of service in the city. City residents will not tolerate existing city revenues to be diverted to the annexed area if it will result in reduced levels of service for existing taxpayers.

There are already statutes that protect special districts where annexations are involved. This includes requiring the assumption of the district if more than certain percentage of assessed value is annexed into a jurisdiction. The key is the provision of revenue source to address area needs (infrastructure or others) prior to and immediately following annexation.

Revenue sharing should be a negotiation option between the city and taxing districts, but not a requirement as the city may need these funds to provide services and bring areas into conformance regarding levels of service issues.

- S-17. Establish a dedicated capital improvement fund, generated and used within the annexation/incorporation area, for use by counties and cities/towns during an established transition period spanning pre- and post-annexation/incorporation.

43% - Large improvement
31% - Small improvement
12% - No change
5% - Would make situation worse
7% - Not a feasible solution
2% - No opinion

Comments specific to question:

Capital fund must cover previously unfunded capital needs or it won't cover the infrastructure and acquisition needs.

Where would the funds come from?

Where is the funding coming from? Would development of this dedicated fund deplete existing revenues utilized by local taxing districts (including the city), or would it be new funds directed to areas as a means of encouraging annexation?

S-18. Additional Comments? Other solutions to cost and revenue issues?

These would all be helpful; however, so far our council has not let a lack of specific funding stop them from supporting an annexation. This is probably due to the fact that most of the annexations in the last five years have contained more commercial properties than residential.

Change statutes to allow utility tax collection on public, non-city utilities (PUD, water/sewer districts, etc).

The bottom line is all governments are hurting for money to provide capital facilities and basic services.

Our UGA is in our urban service area currently.

Requiring an agreement between county/city for revenue sharing would place another potential barrier to annexation. Such an agreement may be helpful in specific circumstances but should be at the option of the city and county involved.

State funding for annexations will not happen at a level needed to solve the problem. In additions to options outlined above cities need the ability to create a street utility to address transportations issues in a manner similar to county road funds.

Sales tax and other revenue should be split between city and county over a predetermined time frame.

The simplest means to address the problem of cities inheriting costly annexation problem areas with poor infrastructure is for the county capital improvement plans/development standards – prior to annexation – to target levels of service in UGAs commensurate with those of the adjoining cities.

No extension of city service to the UGA until the property is annexed and developed under the city's jurisdiction.

Politics, Statutes, and Administration

S-19. Limit standing to invoke BRB jurisdiction to residents and property owners within the annexation area.

- 40% - Large improvement
- 37% - Small improvement
- 7% - No change
- 7% - Would make situation worse
- 2% - Not a feasible solution
- 7% - No opinion

S-20. Increase the percentage of assessed value or registered voters required to invoke the BRB's jurisdiction.

- 40% - Large improvement
- 35% - Small improvement
- 5% - No change
- 9% - Would make situation worse
- 5% - Not a feasible solution
- 7% - No opinion

Comments specific to question:

Five percent is too low.

S-21. Require that petitioners for BRB review establish the inability of the city/town to provide urban services or significant procedural errors on the part of the city for denial of an annexation.

- 53% - Large improvement
- 28% - Small improvement
- 9% - No change
- 2% - Would make situation worse
- 0% - Not a feasible solution
- 7% - No opinion

Comments specific to question:

How is this a change?

S-22. Increase the threshold for BRB waiver of review from the current 10 acres and \$2 million.

- 40% - Large improvement
- 33% - Small improvement
- 7% - No change
- 2% - Would make situation worse
- 2% - Not a feasible solution
- 16% - No opinion

Comments specific to question:

Raising the BRB threshold won't make a difference because the board can still choose jurisdiction. Instead, set out blanket criteria for exclusion especially on islands, and clean up 35A.14.220 (statutory path currently leading to thresholds/exclusions).

- S-23. Remove the BRB from the annexation process in counties that are fully planning under GMA and where the county and all of the cities/towns have adopted plans and development regulations under the GMA.

67% - Large improvement

19% - Small improvement

5% - No change

2% - Would make situation worse

2% - Not a feasible solution

5% - No opinion

Comments specific to question:

This would give use the biggest bang for the buck.

Eliminate BRB in GMA cities. Streamline remaining statutory requirements.

The devil is in the details. It would be nice to remove the BRB from the process, but not if the only alternative is giving the county a defacto veto process. There needs to be some recourse for cities to pursue annexation if they can't work out an agreement with the county.

This is the MOST IMPORTANT improvement. Also need to require special districts to work with cities and facilitate annexation and capital improvements. They need to assume that cities will provide all services unless expressly agreed to differently by the city that service provision will remain with the special district.

BRB provides a "neutral" party to the annexation process.

- S-24. Establish criteria for exclusion from BRB review (e.g., existing service provision, acreage, percent of contiguity with city boundaries).

60% - Large improvement

35% - Small improvement

5% - No change

0% - Would make situation worse

0% - Not a feasible solution

0% - No opinion

Comments specific to question:

If the state goal is for all lands in an UGB to be annexed, then generate several BRB exemptions to encourage streamlined efforts (i.e., if there is 100 percent petition support, forego BRB).

S-25. Revise the statutory objectives of the BRB in review of annexations to be more consistent with the goals of GMA, including an allowance for piecemeal annexations.

53% - Large improvement

37% - Small improvement

5% - No change

5% - Would make situation worse

0% - Not a feasible solution

0% - No opinion

Comments specific to question:

Eliminate BRB where UGA boundaries are approved jointly by cities and counties.

Allowing piecemeal annexations could continue/encourage cherry picking by annexing jurisdictions.

S-26. Update the factors to be considered by the BRB to issues of practical service provision and administration by the annexing city.

40% - Large improvement

50% - Small improvement

2% - No change

2% - Would make situation worse

0% - Not a feasible solution

5% - No opinion

Comments specific to question:

While the BRB objectives don't appear to be an issue, the factors often conflict with GMA.

S-27. Require cities, counties, and special districts to jointly plan annexations.

21% - Large improvement

26% - Small improvement

16% - No change

21% - Would make situation worse

14% - Not a feasible solution

2% - No opinion

Comments specific to question:

Already doing joint planning, but it does not resolve the other critical problems of BRB and fire district protests.

Cooperation should be encouraged, but due to politics, if it were required it could stall future annexation efforts.

S-28. Give counties the authority to initiate an annexation.

- 14% - Large improvement
- 24% - Small improvement
- 7% - No change
- 29% - Would make situation worse
- 19% - Not a feasible solution
- 7% - No opinion

Comments specific to question:

I don't know how this would help. In our case, we have been proactive about annexing and more than willing to initiate an annexation. The more difficult issue is gathering enough signatures to meet the thresholds for a successful annexation.

I am not sure what the intent is here. Is the intent to have the county force an annexation on a city? Is this meant to be a cooperative approach to fill in islands and urban growth areas? This could be helpful if written in a way to bring in areas to cities which do not make sense to be served by a county anymore and the city has not be able to annex the area do to opposition.

This is a very bad idea.

As annexation results in the city's long-term burden, counties should not have the authority to initiate action.

S-29. Raise the threshold for initiating referenda on annexation by ordinance for islands of unincorporated territory.

- 49% - Large improvement
- 22% - Small improvement
- 10% - No change
- 2% - Would make situation worse
- 2% - Not a feasible solution
- 15% - No opinion

Comments specific to question:

Address inconsistent legislation (RCW 14.08.330 and 14.08.120(2) regarding airports.

Consider repealing the referenda requirement.

S-30. Do not add land in the UGA unless a city is willing to annex it.

- 44% - Large improvement
- 30% - Small improvement
- 7% - No change
- 9% - Would make situation worse
- 7% - Not a feasible solution
- 2% - No opinion

Comments specific to question:

Land that the city AND the county are willing to support the annexation of.

S-31. Create separate methods for large and small annexations.

26% - Large improvement

56% - Small improvement

7% - No change

5% - Would make situation worse

5% - Not a feasible solution

2% - No opinion

S-32. Require county-wide planning policies to identify receiving cities/towns for “potential annexation or incorporation areas” in designated UGAs.

19% - Large improvement

37% - Small improvement

35% - No change

2% - Would make situation worse

2% - Not a feasible solution

5% - No opinion

Comments specific to question:

Does this question refer to city SPONSORS so there is a designated city to annex each UGA? Not sure how that would help.

Our county has already done this.

This has already been accomplished by Clark County.

S-33. Simplify annexation process for those requesting annexation of contiguous area with no resident opposition.

81% - Large improvement

16% - Small improvement

0% - No change

0% - Would make situation worse

2% - Not a feasible solution

0% - No opinion

Comments specific to question:

How would you establish up front that there is no resident opposition, so that you can determine that the simplified process is applicable?

S-34. Simplify annexation/incorporation of areas with a GMA compliant subarea plan providing for a transition of urban services, capital facilities funding and phasing, if adopted by the county and by the city/town within any part of its UGA and the subarea.

72% - Large improvement

23% - Small improvement

2% - No change

0% - Would make situation worse

0% - Not a feasible solution

2% - No opinion

S-35. Provide for a period of transition (e.g., one to two years) from governance by a special district board to governance by a city/town after annexation or incorporation occurs.

12% - Large improvement

9% - Small improvement

14% - No change

44% - Would make situation worse

7% - Not a feasible solution

14% - No opinion

Comments specific to question:

If transition were to gradually have counties work with cities and help pay for service transition, it would be a positive idea.

Our city has an agreement with the Mukilteo Water District: for 10 years the district would continue to serve the area annexed and then our city can take over the service responsibilities. This can be done under interlocal agreement. This has worked between the two jurisdictions.

Transition period costs more – how would this be paid for?

This could be a viable negotiation tool between the city and special districts, but if it is not accomplished in a manner with a lot of public outreach/education, citizens may be confused regarding service providers and taxes. Might be funding issue.

S-36. Additional comments? Other solutions to political, statutory, or administrative issues?

I've answered these questions from our city's point of view, so you need to keep in mind that this is in reference to a fairly specific set of circumstances. In our city's situation, it is silly to have the remaining area remain an unincorporated island completely surrounded by the city – yet able to take advantage of all the available city services. The county wants the area to annex, as well. Simple criteria for this type of situation (as in S-24) should be able to resolve the situation. The new legislation would enable the city to initiate an annexation, but the thresholds would easily allow a group of residents to force an expensive election – this is no improvement over the previously existing annexation statutes that we've been using for years.

The special district transition should be immediate. In our area we have addressed many of the issues that I see as improvements above, i.e., joint planning, similar development standards and it has not increased the desire to annex.

Revising the GMA and annexation laws to require one comp plan and set of development regulations for a UGA and allowing simplified annexation without other obstacles outlined above would dramatically streamline the process increase the value of the GMA.

General need here is to simplify and ease the process to enable reasonable annexations; especially small owner initiated annexations.

Allow for annexation of entire UGA at the will of the associated city or town. This would be predicated on the city or town's ability to demonstrate it can support the area(s) to be annexed.

Annexation procedures should be simpler and more facilitating of annexations if the GMA intent of cities gradually assuming their UGAs is to be attained. We are very supportive of some of the measures noted in this section of the survey (e.g., more exemptions, simpler procedures, higher referendum thresholds) to achieve this.

BRB process adds unnecessary time to annexations that are unopposed and uncomplicated.

Eliminate the BRB role in annexation and confine their review to special purpose and other district expansions. We have already completed an analysis of the UGA and a mandated public process through our GMA comp plan updates.

Develop a streamlined annexation process for annexations meeting certain threshold criteria.

Other comments

Please use the space below (or additional sheets) to identify any other issues that we have not identified.

I have filled this survey out based on my experience with our city. Were I filling it out based on general issues with most cities I would respond differently to many of the questions.

Our city is very proactive about annexation and would like to annex all of its remaining UGA. In fact, the council has adopted annexation-friendly policies such as requiring no application fees to process an annexation, despite the significant administrative/staffing costs. Probably the biggest impetus for us to annex is the volume of development going on in the city UGAs – we end up inheriting the project that wasn't build to our development regulations and we lose impact fees. Some of the procedural requirements are cumbersome

(i.e., BRB process) but the most significant obstacle for us in annexing within our UGA is obtaining the requisite signatures. There are always many people who want to develop and need water/sewer availability from us. We require them to be annexed first and they don't object. However, we don't want to perpetuate piecemeal annexation and prefer to take in a larger UGA for a more efficient use of resources. Unfortunately, the people who want to develop have vacant or underdeveloped property that also has low assessed values. In many cases, after analyzing all the parcel data and assessing the likelihood of a successful annexation based on value vs. acreage/registered voters, we end up recommending Annexation Utility Agreements instead. At least through the agreements, after the area builds out and the assessed value increases substantially, we will then have POA to annex all those properties. The increased value will give us the leverage to take in a much larger area than would otherwise be possible. If the annexation process was simplified for certain circumstances, we would probably be more willing to do more parcel-by-parcel annexation. Although, islands often result from that method and the referendum process allowed through the island method of annexation for those who object is too easy to repeal the issue back to an election. The islands wouldn't exist to begin with if the property owners had supported the original annexation efforts. There is a large (400+ acres) CUGA area south of the city that the county would like us to annex. The area is developed at urban densities and would be more appropriately served the city. However, they have poorly maintained roads, all of the properties are on septic – the infrastructure needs are great. The city has agreed to “consider” the eventual annexation of the area but since that commitment, nothing has been done because there is no agreement about who will even pay for a fiscal analysis of the area – not to mention the subsequent infrastructure upgrades. The city would have commenced the study long ago had the county commissioned the study. In the meantime, no progress is made. In our case, the county is content to maintain jurisdiction of newly developed areas for property/state-shared revenue purposes. For new plats, streets/other infrastructure is new and the only cost to the county is police service on a 2-3 day response schedule. As soon as infrastructure is degraded, meth labs abound, etc., the county has a renewed interest in the city taking control.

The annexation process is one of the most difficult and complex processes created by state government for citizens and local government. Because of its complexity and numerous areas for appeal, special districts can hold up annexations for years. We have one annexation which has been in process since 1999 and is still not resolved. Citizens are discouraged to try annexations because it takes so much time and numerous approvals. We have one annexation in process now where the citizen motivation is better police service. They are being attacked verbally with stories made up by supporters of the fire district. The citizens wanting annexation start questioning their efforts and wonder if it is worth it. This is just what the special districts want and there is no down side to the districts. Annexation process is so complex, unpredictable, and burdensome few residents want to go through the effort.

Our city's UGA is very confined, and thus the ability to annex is limited.

Issue: Airport legislation RCW 14.08.330 and RCW 14.08.120(2) inconsistent with GMA and annexation.

Has this survey been sent to other interest groups involved?

Cost and delay associated with BRB review process is major obstacle. For property owner/developers seeking annexation, time is often “of the essence.” For current residents seeking services, neither city that will bear fiscal impact, nor relatively indifferent residents, want to absorb high processing costs.

Annexation of UGAs should be a given once UGA is established – the timing to remain an issue to be determined by the city or town through more detailed CF planning if not included in subarea plan supporting designation of UGA.

Most counties in the state are also planning under GMA, so they generally are cognizant of GMA issues in coordinating with cities on annexations. Special districts (e.g., fire districts, utilities), however, can often operate without any acknowledgement in their plans/programs that GMA affects portions of their service areas. Stronger statutes to address this would be very helpful, including simpler provisions for assumption of smaller special districts in certain situations.

Counties continue to permit urban development. If an owner can develop and make a profit without annexation, there is no motive to annex. Since those development standards are generally less stringent, this creates infrastructure deficiencies causing reluctance on the city’s part to annex.

In order to facilitate annexations, adopt legislation authorizing cities to conduct the signature certification process.

In our city we have had little problems annexing areas in the last five years since most areas are undeveloped (or very little). We are the sole provider of utilities (sewer and water), and most people want those services to develop their property. Additionally, we have an interlocal agreement with Snohomish County spelling everything out (prior to that it was a different matter).

Require counties to provide clear administrative procedures on annexations. When I first started doing them, I had to consult the MRSC Annexation Handbook which helped a lot, RCWs, and the Pierce County BRB provided their procedures for petition method of annexation but there were gaps in information – especially the administrative process. We processed six different election method annexations and those are rarely done so had very little guidance.

The piecemeal incremental changes to annexation law have made it even harder to annex. It is easier for citizens to create a new city than to annex into an existing city. BRBs are limited to comments on new city proposals.

There is an unincorporated residential area located between two cities. It is an unincorporated island of about 2,500 people. Although it is located in both cities’ UGA, neither city will touch it because it lacks a sufficient tax base from which to provide basic

urban services. Annexation has also been attempted twice – both failed. Further, there is no interlocal agreement to provide police. That means when dispatch receives a call, the responding agency is the County Sheriff’s Department at the South Hill Station located in Puyallup – 15 to 20 miles distant from the location of the call.

Issue: There are other special districts that unincorporated areas receive direct and indirect benefits from but are not always taxed for, creating a differential in tax rates, including port, library, and hospital.

Ideally statute would be amended so minimal or no owner/voter approval would be required to annex areas within UGA if those areas already or soon will be urbanized. BRB could then be eliminated entirely. In alternative, BRB should serve solely as “court of appeals” in those instances where majority owner/voter approval has not been obtained.

Need to ensure impact fees are spent in unincorporated areas if collected for development within those areas regardless of the timing of annexation.

There were several references in the survey to encouraging/requiring more “joint planning” between cities and counties within UGAs. We wanted to stress that such joint planning measures should encourage and facilitate the ability of cities to take on fully permitting authority of UGA areas prior to annexation.

Joint administration of city development standards and impact fees in the UGA under annexation and interlocal agreements is not a difficult to administer.

In order to facilitate annexations, adopt legislation that clarifies that Utility Service Covenant signatures are valid petition signatures, and that the provision of by-laws is not required.

I have had experience in a previous city that didn’t control utilities; they were provided by SPDs (sewer, water, drainage, fire) plus the county for planning. Under that scenario annexation was extremely difficult and rarely happened, yet growth was rampant and not happening pursuant to the city’s vision. Thus, that city is being set up as a failure (all residential, no commercial for revenue). In my mind, the biggest obstacle to annexation is the SPDs. They all want to continue to exist, thus fight for survival (which means oppose annexations). They could do that through employee organizations, threats of higher charges, etc., while all the city could do is sit there and produce “fact sheets.”

In summary, here are a few recommendations: – lower standards for requisite signatures (i.e., lower assessed value from 60 percent to 50 percent or lower) – easier island method of annexation – make it more difficult for property owners to object – allow cities to annex city-owned land for municipal purposes outside the UGB (we own several sites for water storage/well sites that should be part of the city but are non-contiguous and outside the UGB). States should fund infrastructure improvements in UGAs. That would provide incentive for the city to annex and the property owner might be more amenable to annexation based on receiving improved services.

The comments here are my comments and have not been reviewed by our mayor and city council. They are not necessarily city policy, but the opinion of a person who has worked on annexations.

Issue: Limit health districts authority to issue septic tank permits, creates sprawl and resistance to annexation in the future due to infrastructure and hook-up fee costs. These should only be allowed in rural areas that will not ever be incorporated into a UGA and where lot sizes must remain large (over 25 acres per dwelling unit).

Subarea planning should be required prior to UGA establishment. Revenue sharing should be a component of this plan.

In order to facilitate annexations, adopt legislation that gives cities a final say in UGB expansions, and give cities a strong voice in how UGB areas are developed.

Issue: Areas of high landslides or landslide potential limits cities' interest and ability to annex since the burden for infrastructure repairs will fall on all residents, and cities do not have available or reserve dollars to handle these large projects.

In order to facilitate annexations, adopt legislation streamlining the annexation process if there is 100 percent property owner/resident support for an annexation.

Issue: Lack of transportation planning at the county level leaves significant burden on cities to plan and retrofit (state and county road improvements are 10-15 years behind growth). This does not meet GMA intent to balance growth with amenities and infrastructure.

In order to facilitate annexations, adopt legislation authorizing cities and counties to enter into interlocal agreements providing for annexations within the UGB. This process should include early and continuous citizen participation.

Issue: School district capital planning is hindered by student population generation formulas/analysis, thus not setting aside land or funding capital needs. Legislation-required analysis needs to be changed to be driven by land use and household make-up – not cohort survival – in rapidly growing areas.

Issue: County park planning does not address need to adequate park and open space acquisition before development occurs and leaves few to no options for cities to retrofit or meet LOS standards in the future annexation areas. This does not meet GMA intent to balance growth with amenities and infrastructure.

Solution: Require UGA expansion be tied to the provision or adequate capacity of and funding of adequate infrastructure, not just impact fees that at best are paying 50 percent of cost.

Appendix G

Obstacles and Strategies to Annexation: Perspective of Residents

As part of the evaluation of barriers to annexation and incorporation, AHBL, ECONorthwest, and CTED surveyed residents of urban unincorporated areas in each of six counties. The team conducted seven focus groups with residents to identify their attitudes towards annexation or incorporation. One focus group was held in each of five counties: Clark, Kitsap, Pierce, Snohomish, and Thurston. Two focus groups were held in King County, one in the north and one in the south. This appendix is a summary of the seven focus groups.

This appendix is divided into two main sections. The first section describes the methods used to elicit residents' opinions about annexation and incorporation. The second section summarizes the residents' opinions.

Methods

CTED worked with staff at the six counties and cities within them to identify residents that were knowledgeable and had an interest in annexation and incorporation issues. CTED staff collected names and contact information for residents in each county. Invitees were contacted by e-mail, U.S. mail, or telephone, depending on what type of contact information was available. Invitations went out two weeks before the meetings, and included a brief explanation of the purpose of the study, directions to the meeting site, and the time of the meeting. They also asked invitees to RSVP to the invitation. CTED provided contact information if the residents wanted more information, and an Internet address that linked to more information about the study.

The focus groups were held over a three-week period, from September 14 through September 30, and 40 people attended the seven meetings. Each focus group lasted about two hours. AHBL and ECONorthwest staff facilitated the focus groups, and CTED staff took notes. ECONorthwest staff evaluated the notes from the meetings and summarized them in this appendix. AHBL and CTED reviewed this analysis.

The focus group organizers asked the participants three questions:

- Why do some residents (both outside and inside incorporated areas) oppose annexation or incorporation?
- Are there any reasons that some residents might find annexation or incorporation beneficial?
- What things could be done to increase the benefits of annexation or incorporation, or reduce the costs?

The remainder of this document summarizes the participants' responses.

Focus Groups Summary

This section is divided into four subsections. The first three summarize participants' responses to the questions listed above. The fourth section summarizes final comments made by participants.

The focus groups made it clear to CTED and the consultant team that many issues are specific to a community. Residents are generally familiar only with annexation issues and procedures that arise in their own communities. This summary works to organize issues that apply to many communities, but many of the comments made by participants were specific to a single community.

Why do some residents oppose annexation or incorporation?

Most of the responses to the first question fell into several general categories:

- Residents prefer the existing setting.
- Residents resist change to regulations.
- There is no need for change.
- Residents do not want higher taxes or to pay for infrastructure.
- Residents do not trust the annexing city and the annexation process.
- Residents do not trust developers that are motivated to annex to a city.
- There is a lack of cooperation among agencies and local governments.
- Many residents have misperceptions about the consequences of annexation.

Residents prefer the existing setting

A major point for some participants is that county residents prefer the rural atmosphere in the county. People like the existing neighborhood atmosphere of unincorporated areas and feel a stronger neighborhood bond outside of the city. One participant described a community park that residents don't want to have to share with outsiders if they were to be annexed.

Part of the reason that people prefer their area remain unincorporated is that there is more space and less density outside of the city. They want their areas to stay rural. One participant stated that there is a fear that annexation will nullify special district overlays that control density. One participant felt that higher density leads to a transient/renter population, and that people in owner-occupied neighborhoods want them to stay owner-occupied. A participant stated that living in the county is desirable because you can find a large "dream property" with plenty of space.

Some participants report that they don't identify with the annexing city. Several comments pointed to communities that feel a closer connection to a different city than the city planning to annex them. Participants noted that the annexing city may be inconvenient or hard to get to and that annexations result in illogical boundaries. In addition, one participant commented that communities may not want to be annexed by a less affluent city. One comment described the

difficulties of areas that develop homes without concurrently developing services, such that small towns can't afford to annex them. This results in difficulty in incorporation because they have no commercial base. Only a bigger city could afford to annex them, which is exactly what residents don't want.

Residents resist change to regulations

Closely tied to the preference for the rural atmosphere is resistance to the change in regulations and zoning associated with annexation. People feel more freedom to do what they want with their land when they are outside of the city, and that counties provide less scrutiny than a city government. In addition, a city may impose zoning changes or other regulations that people do not like.

Some communities oppose annexation because they do not want the zoning changes that they believe will come with it. Some communities want a rural atmosphere, and believe that they can control the pace of development better with incorporation or by staying in the county. One participant noted that there is a fear that the city, losing money on an all-residential annexation, will try to mitigate impacts by forcing unwanted commercial development in the newly annexed area.

Many participants reported that they are subject to fewer regulations in the county than in the city. Residents feel less restricted by ordinances in the county: city residents are subject to animal licensing, weed controls, limits on leaf burning, and many other regulations. One participant noted that an existing gun club would not be allowed to operate if annexed. City building codes are more restrictive, and residents are required to pay for services they may not want, such as garbage collection. One participant noted that permits in a city are so slow that some contractors will not work there.

No need for change

Many participants expressed variations on the "if it's not broken, don't fix it" philosophy. If services in the unincorporated areas are adequate at a good price, they see no need for change. In fact, some participants responded that many unincorporated communities have better services than cities at a lower price. Or, residents know that they are getting some services without paying for them. For example, if the sheriff is unable to respond in an unincorporated area, the neighboring city will provide any necessary emergency response.

Respondents pointed out that some cities contract with special districts for services. This means that residents would not receive new services/service providers if annexed into those cities. One participant noted that some communities have already gone so far down the path of development that there is no advantage to annexation. There is nothing the city can do to improve the service level in their area. One participant asked why it is assumed that cities must provide urban services. Some participants complained that they have no choice regarding changes in service.

Some participants explained that residents do not want to have to change their addresses, particularly to an address in a community they don't identify with or that has historically been

less affluent. Some reported a decrease in property values after a change of address. One participant summed it up by saying that “people don’t want change.”

Higher costs

Some participants believe that it costs more to live in the city and that cities add a layer of bureaucracy. Participants note that city residents are subject to more kinds of taxes because counties can’t levy utility and B&O taxes. Residents fear that their taxes will increase, but they won’t see the benefits. They will be on the outskirts of town, but the taxes will be spent downtown. Residents also expressed dissatisfaction with assessments that are levied under annexation. Some participants also noted that they don’t want to pay more for services they don’t want, including sidewalks and sewers.

Some participants noted that people already in the city don’t want to pay to add capacity to city services in order to annex other areas. One participant stated that people are scared about the assumption of bonded indebtedness under incorporation or annexation. Another participant speculated that new “incorporations have slowed because some of the new cities from the last wave are having financial difficulties” now.

Lack of trust in the annexing city and process

Many participants expressed a lack of trust in annexing cities and the concern that cities just want their tax money or that of the commercial areas. Some participants commented that annexing cities cherry pick the commercial areas in order to get the sales taxes but leave the residents with no benefits. It appears that the lack of trust stems from a perception of mismanagement of city government. In addition, some participants feel manipulated by cities into signing no contest of annexation papers in exchange for access to services.

Several comments dealt with the petition method for gaining agreement to annexation. One participant stated that it is “unfair that a person with a more valuable property gets more of a vote than the neighbors.” Several participants noted that some people oppose annexation because they want to incorporate instead. They feel that they would have more local control as a new city.

Some residents believe that cities will deny them services if they are outside of the UGA, then annex them and force the services on them. Participants also were concerned that because no one represents just unincorporated citizens, they lose. “The new city government eats up money, and those who stay unincorporated pay taxes in the new city when they go there, but receive no benefit.”

Lack of trust in developers

Participants felt that cities and developers push growth that the residents don’t want. Some commented on the impacts of developers providing services that governments traditionally provide. They expressed concern that if developers build the roads rather than the government, the result is an incomplete road system. One participant stated that developers should be paying

for the roads. Others stated that if communities want to develop at urban levels, they should be prepared to pay for the streets.

Participants also stated that developers use deceptive and coercive tactics to get people to sign petitions for annexation.

Lack of cooperation among agencies and local governments

Participants complained of a lack of cooperation and communication between cities, counties, and other agencies. Some participants pointed out examples of the county government actively thwarting annexation because they want to keep the tax revenue. One participant described a “tennis racket” shaped UGA, taking in a strip of development along an arterial road, with a commercial area at the end.

Misperceptions

A number of participants noted that many residents may have misperceptions about the consequence of annexations. Many residents think that they will have to pay a large fee for infrastructure, such as sewer, water, streetlights, and sidewalks, when this is not necessarily the case. A participant noted that there are many myths surrounding annexation, including the idea that annexation always creates increased costs for residents; the belief that remaining unincorporated will maintain low densities; and the belief that services will change with annexation.

One participant pointed out that when people understand that they do not have to pay for the upgrades upon annexation, but rather when they sell their home to a new owner, opposition tends to vanish.

How could annexation or incorporation be beneficial?

The main benefits that participants pointed out were the availability of services and more access to local government.

Consistent, better, and cheaper services within the community

Many participants pointed to better/more services being available in the cities. Some believe that cities provide planning and transportation services that can handle development better. Some participants noted that city parks and police (especially traffic control) services are better. One participant mentioned that the bus service is better within the city. Some participants thought it would be worth annexing to hook up to water services. Emergency response times go down, resulting in lower home insurance costs. Some services, including recreation, sewer, and water, may be cheaper inside the city. Some regulations are looser. Another benefit of annexation cited by participants is that cities charge residents lower fees for services.

Some participants noted that unincorporated areas are treated as if they are rural, even if they have urban densities. For example, they cannot have traffic calming circles or other road

improvements. Densities are increasing, but they don't have adequate services to support them. These areas feel the friction of density without the necessary services. Some services, like permitting, can be difficult because the counties lack the necessary personnel. Participants also noted that counties have difficulty enforcing development codes.

Participants noted that they are not permitted to develop their property unless it is in the UGA and/or has city services. They also pointed out that being in the UGA or city limits increases the value of property.

One participant described "a demographic split in the area between younger professionals with children who want the higher service level, and retired folks on a fixed income who are adamantly opposed to increased costs – even slightly increased."

Gain political representation in annexing city

Some participants stated that annexation gives citizens more control over how the area develops. Participants also felt that it is easier to participate in the city process than in the county process. Some reasons cited were that cities are smaller and more responsive to residents, and because their constituencies are smaller, it's easier to know your city council representative. If a county seat is inconveniently located, people don't participate.

Other respondents noted that cities are able to recover more taxes from the state and that a higher percentage of state revenue will come back to a city.

Several participants noted reasons to incorporate, including keeping neighborhoods together, maintaining their identity as a community, and controlling local development.

What could be done to address your issues with annexation or incorporation?

Participants noted several areas that could address their issues with annexation and incorporation. Most responses fit into the general categories of improving the public involvement process, giving residents the ability to vote on annexation, reducing competition and infighting between agencies, and making policy changes.

Improve public involvement process

Participants repeatedly cited education about the process as a way to address issues with annexation and incorporation. Participants want more information about the process and more communication with policymakers. They want open forums on the issue. They want agreement on the facts so decisions are not made subjectively. Participants stated that it is important to clearly describe the level of service and taxes. One suggestion was that the city council and staff go to neighborhood meetings.

One participant suggested that local elected officials also need an education on the process. Other participants expressed a need to tell the residents' side of the story without being

influenced by outside development interests. Participants expressed an interest in public education from the agencies, but also from citizens and community groups.

Some participants felt that there is a public relations issue. The perception that the city will annex people against their will creates animosity. Therefore, cities must foster a civil discussion and be able to show the residents that there is a benefit to annexation to move forward. Participants expressed a need to have a majority of homeowners in support of annexation.

Areas of concern regarding communication include special purpose districts, sewer connections, and the disposition of parks and open space. Other suggestions included bringing people who have been involved in neighborhood associations into the transition process, developing a Web site with information on proposed annexations, and state-funded community outreach efforts describing the process and the GMA.

Give residents the ability to vote on annexation

There were several comments that areas should not be annexed without allowing the residents to vote on the issue. Participants felt that the annexation can be misused if residents are not allowed to vote. They stated that landowners and residents should both be able to vote, not just landowners.

Participants expressed concern that the voter rolls are out of date and unreliable, which makes it difficult to have an election with 50 percent of the registered voters. There was a suggestion that the requirement be changed to a percentage of the number voting at the most recent general election. One participant was concerned that because the BRB expanded a proposed area for annexation, people in the expanded area would not be able to vote.

Improve cooperation between government agencies

Participants were concerned that the process becomes stuck due to infighting and miscommunication. Some residents pointed out that cities don't have enough control over where their UGA will go and that the county may block incorporation in order to retain its tax base. Counties can thwart city plans by putting areas in the "Urban Reserve." Counties may believe they will lose revenue with incorporation, but this is not necessarily true.

In addition, participants expressed concern that special districts are not required to and/or do not plan in coordination with UGA boundaries. Counties are leery of doing improvements in UGAs, when that upgraded property will then become part of city tax base. Cities are leery of annexing before improvements are in place.

Policy changes needed

Many residents' comments suggested policy changes regarding UGAs, taxes, services provision and costs, and planning.

Suggestions included allowing newly incorporated areas to determine their own UGA boundaries, putting UGAs where property owners are willing to develop, and making sure that UGAs are closely associated with an adjacent city that residents identify with. One participant suggested that the state should mandate a lower limit for population growth in the county. Another participant suggested that cities should be required to annex the whole UGA in one fell swoop in order to eliminate cherry picking. However, another participant noted that some UGAs are drawn in an illogical way.

Several participants noted that counties are not able to charge business and occupation (B&O) and utility taxes. Some expressed the belief that if counties were able to charge those taxes, the provision of services would smoother between jurisdictions at a more consistent price. One participant suggested that the state create a legal mechanism for areas where taxes would go down post-annexation that would allow transitional taxes up to the pre-annexation level.

Many participants were concerned with planning and land use issues and would like annexation without sprawl. Some participants suggested that parcels should be developed responsibly at an urban density and with certain services so that cities have enough density to support urban services. One participant suggested the addition of an annexation/service extension schedule as an element of the comprehensive plan and making any expected annexation a compulsory disclosure on sale of property. Another resident commented that land use policy should be developed locally, while other services are more efficiently provided at a regional level.

Several participants emphasized that services should be provided ahead of or concurrently with development. These participants noted that an area needs some commitment to develop before it can provide the services. Areas need some more commercial development with residential so that a city will want to annex and need to get developers to invest in the infrastructure for development.

Other suggestions for new policies include district representation in the annexing city, requiring an EIS for annexation, and requiring sewers prior to annexation.

Additional comments

At the conclusion of each meeting, the facilitators asked participants if they had any closing comments about annexation and incorporation issues. Some comments went beyond the scope of the topic for discussion, however those are also included in this section.

There were several final thoughts on the GMA. Most of the comments regarding the GMA referred to it constraining new cities. Some of the comments suggested waiving certain or all GMA requirements for new cities. One participant thinks the GMA is an unfunded mandate from the state, requiring cities to take development and bear costs without choice. Another participant suggested changing the GMA to allow citizen-initiated local planning.

Planning is also of critical importance to the participants. However, one participant stated, “Annexation and incorporation are not goals, but tools to solve a problem.” Another urged jurisdictions to consider all options and not just annexation. One participant worried that cities

are required to provide services immediately upon incorporation although they are unable to make money for the first two years.

Some final comments expressed openness to annexation and the preference for local control through a city government. One participant commented “People in UGAs who oppose annexation are missing out on a chance to take control.” Another participant wanted to know if it is possible for a neighborhood to initiate change from one city’s Potential Annexation Area to another city’s. Another commented, “People [today] are more aware of sprawl issues. Potentially, we’re sitting on another Los Angeles here.”

Some government agencies were pointed out as meddling. “CTED is a ‘stumbling block’ to developing our communities.” “[The] Regional Coordinating Council prevents individual city governments from doing what their citizens want...there is no proportionate representation of people living in unincorporated county.” Participants believe that there are too many agencies involved in the process. One participant asked why agencies with no relation to an area have standing to appeal to the Growth Management Hearings Board (GMHB). Respondents believe that elected officials are losing control to appointees and that the counties and cities are paralyzed by fear of the cost of GMHB appeals. They commented that because of too many groups, including the BRB, [the] Regional Coordinating Council, cities, counties, CTED, and GMHB, the whole process is slowed. Several participant comments expressed concern with the BRB, with one participant urging its elimination.

Some residents were clearly opposed to current policies, including one participant who considers “all new regulation a taking.” Other comments offered specific policy recommendations including the prohibition of creating islands through annexation and increasing the reserve per acre of UGA from 0.25 to 3 or 4 acres, improving the island annexation process, and changing the election method requirement to a percentage of people who voted in last election to solve the graveyard vote problem.

Participants expressed skepticism of the process, stating that more information on costs and benefits is needed and that there should be more scrutiny of how petitions for annexation are drawn.

One person commented “GMA is a rich man’s law because it forces development into two channels: the McMansion on 10 acres that only the rich can afford, and everyone else in a studio apartment.”

One participant urged the focus group organizer to make sure that the final report goes to the cities. Several other final comments were directed at annexing cities and other government agencies. One participant stated, “Letting it drag out the way it has is absurd – follow through and get it done.” Another warned, “If residents lose, it will come back and bite you.”

Appendix H

Annexation Study Advisory Committee Attendance

Meeting:	Attending:	From:
Advisory Committee <i>First Meeting</i> <i>July 28</i>	Michael Katterman Paul Roberts Susan Winchell Carol Tobin Laura Hudson Diana Brunink Hal Schloman Randy Lewis Tracy Burrows Mary Alyce Burleigh Barry Berezowsky Michael Matlock Cliff Strong Mike Thomas Lenora Blauman Elizabeth Ratliff Scott Merriman Leonard Bauer Dave Catterson Mike Kain Sandi Swarthout Dave Williams Rich Carson Scott Taylor Mary Welsh Nancy Ousley Doug Levy	AHBL, Inc. Snohomish County WSABRB MRSC City of Vancouver OFM WSWDA City of Tacoma City of Kirkland City of Kirkland City of Poulsbo City of Tumwater City of Arlington King County King County BRB Kitsap County WSAC CTED AWC Thurston County WFCA AWC Clark County WPPA DOR CTED Cities of Everett, Kent, Federal Way, and Puyallup

Meeting:

Advisory Committee
Second Meeting
September 22

Attending:

Rich Carson
Michael Matlock
Dave Catterson
Tracy Burrows
Mary Alyce Burleigh
Diana Brunink
Theresa Lowe
Dave Williams
Carol Tobin
Michael Basinger
Susan Winchell
Hal Schlomann
Cliff Strong
Paul Roberts
Phil Olbrechts
Chip Vincent
Betty Capehart
Michael Kattermann
Ted Gathe
Dave Warren
Nancy K. Ousley
Chris Hugo

From:

Clark County
City of Tumwater
AWC
City of Kirkland
City of Kirkland
OFM
OFM
AWC
MRSC
Spokane County BRB
WSABRB
WSWDA
City of Arlington
Snohomish County
OMW
Pierce County
Kitsap County
AHBL, Inc.
City of Vancouver
WPUDA
CTED
City of Bremerton

Meeting:

Advisory Committee
Third Meeting
October 14

Attending:

Brian Sullivan
Dave Williams
Cindy Baker
Mike Doubleday
Mike Thomas
George Walk
Lenora Blauman
Michael Matlock
Michael Kain
Ted Gathe
Carol West
Diana Brunink
Hal Schlomann
Leonard Bauer
Cliff Strong
Randy Lewis
Susan Winchell
Tracy Burrows
Mary-Alyce Burleigh
Carol Tobin
Michael Kattermann
Terry Moore
Randy Young
Don Taylor
Chris Hugo

From:

Snohomish County
AWC
Kitsap County
City of Burien
King County
Pierce County
King County BRB
City of Tumwater
Thurston County
City of Vancouver
WPUDA
OFM
WSWDA
CTED
City of Arlington
City of Tacoma
WSABRB
City of Kirkland
City of Kirkland
MRSC
AHBL, Inc.
ECONorthwest
Henderson, Young
DOR
City of Bremerton

Appendix I

CTED Annexation Advisory Committee Identification of Annexation Barriers and Strategies (October 14, 2004)

This is a work in progress that will be developed as we gather data and receive input from the advisory committee.

It will be important to remain mindful of the differences between these counties and cities and the counties and cities not included in the study. Recommendations should be made with consideration as to how they might apply statewide.

County and city taxing authority/Capital facility funding	
Barriers	Strategies
<ul style="list-style-type: none">• County financing insufficient to support city standards in unincorporated UGAs.• County standards not always deficient, just different from city standards.• County investment is lost with annexation. There is no reimbursement from the annexing city, so the county is reluctant to make the investment.• State funding is inadequate for maintaining LOS for incorporations.• Lack of financing or financing mechanism to help the transition from county to city.• \$3.5 million deficit in operating service costs for a residential annexation area (Kirkland).• Can't spend impact fees on planning for capital facilities.	<ul style="list-style-type: none">• The county should plan to the city's standards within the UGA. Will need to deal with counties that would have to administer a variety of codes (39 in King County), the liability of applying someone else's standards, and union issues.• Use the Intergovernmental Cooperation Act to allow processing of permits outside the city by the city.• There should be a variety of funding tools available for counties and cities to address the unique issues they are facing.• Need a process that can make everyone whole financially.• Need state grants for neighborhood planning prior to annexation – will increase citizen understanding of the process and relationship with the city.• Need a transition funding mechanism.• Need state funding for local jurisdictions to implement the state GMA rather than more local options or funding shifts.• Funding should be for both capital and operating expenses – need operating expenses to allow a city to ramp up for

	<p>providing a new service.</p> <ul style="list-style-type: none"> • If an interlocal agreement is in effect, get preference points for state infrastructure funding – e.g., grants or low interest loans. • Don't require an interlocal agreement to get preference, rather require a joint application by the county and city and/or special districts. For example, a joint application for infrastructure in a potential annexation area (PAA). Consider giving more points for including special districts. • State should provide matching funds for investment in facilities needed for transition. Possible sources of state funding for transition include a temporary pledge of the following: <ul style="list-style-type: none"> ○ The Land Use Study Commission's recommendation that counties and cities planning under the GMA be authorized to impose a 1 percent sales tax on new construction. The tax would be a credit against the state sales tax. ○ Earmark more of the state's real estate excise tax (REET) for infrastructure funds such as the Public Works Trust Fund. State has a broader range of uses for REET than locals. ○ State utility tax ○ State property tax • Should a county and city reach an agreement, they should be able to access state funding and to annex under a different method that does not require petitions or a vote. • In order to qualify for state funds, there should be a demonstrated deficiency in capital or operating funds. • Cities should be able to impose a utility tax surcharge in the annexation area for capital or operating expenses to ramp up for a service in an annexation area (need to consider implications for cities
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	<p>that currently collect utility taxes outside the city for city services and other purveyors in the area). The utility surcharge could either be imposed through a simple majority vote of the citizens or by the council. If a vote, it would be part of the vote on the annexation and assumption of debt.</p> <ul style="list-style-type: none"> • Authorize county utility tax and earmark for potential annexation areas and make it available at the time of annexation. • The utility tax surcharge could be collected during a predetermined transition period that would cover a set amount of time before and after annexation (or incorporation). Some said it should be collected for three to five years, others said that up to 12 years is needed to accumulate the funding to ramp up services. • Expand the use of the 0.08 local sales/use tax to the seven more urban counties to finance infrastructure in urban growth areas (alternately, do not limit to UGAs). The diversion could generate up to \$55 million annually for those seven counties. Consider the unintended consequences (e.g., spur incorporation). • Create state entitlement fund for annexation based on a formula. • Consider state bonding for capital improvements. • Reduce the lag time between annexation and receipt of property and sales tax revenues by an annexing city. • Allow for the creation of annexation capital facilities districts as municipal corporations and independent taxing units to facilitate annexation.
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Role and authority of boundary review boards	
Barriers	Strategies
<ul style="list-style-type: none"> • The BRB criteria don't match GMA requirements. • Role of the BRBs not clear post-GMA. • It is not clear how the BRB should treat the statutory "urban in character" objective given the fact that no area can be considered that has not been designated part of the UGA by the county. • County legislative authorities do not want to take over BRB duties. 	<ul style="list-style-type: none"> • Clarify the statute regarding the objectives, including the "urban in character" objective. • Revise the "urban in character" objective to reflect designation of urban growth areas. • Make the GMA and annexation statutes more consistent – e.g. application of the GMA goals. • Eliminate the BRBs. • All UGAs should automatically become cities. • Retain the BRBs for public process on annexations. • Prohibit provision of urban services (or development, regardless of service level) until annexed (Oregon model) • BRBs are needed as a safety mechanism for the process. • Need to associate UGAs with cities (potential annexation areas). • Shouldn't associate UGAs with cities because they may be too big to annex and need to be incorporated separately. • BRB could be objective party to educate public.

GMA and annexation processes	
Barriers	Strategies
<ul style="list-style-type: none"> • City development standards different than special districts • Lack of public understanding of process. • Statutes are cumbersome; GMA and annexation statutes don't match. There is no linkage between the two statutes. • Cities cannot do an active public relations campaign for annexation. • The process is expensive and out of proportion for small annexations. • Counties have a difficult time working with the development standards of multiple cities within the UGA. • Problem is made worse by development in unincorporated UGAs by counties at a lower LOS, widening the discrepancy from city LOS. • Counties and cities are not doing joint planning to ensure the same LOS in UGAs. • Special districts often oppose annexations. • The size of some UGAs/annexation areas in relation to an existing city can be overwhelming. • County-wide planning policies are difficult to revise. • Predictability problems discourage investment. • Counties cannot initiate annexations. • "Islands" are still an issue. The recent legislation helped, but more needs to be done as demographics and the provision for a referendum are still problems. 	<ul style="list-style-type: none"> • Limit standing to challenge annexations. • Give the counties authority to initiate an annexation. • Limit referenda (perhaps only in urban counties?). • On "islands" bill, raise the 10 percent threshold to a small majority, e.g., 51 percent, 60 percent. • Re-structure the public involvement process. • Require involvement of citizens and special districts earlier in the process <ul style="list-style-type: none"> ○ "UGA" equals "Annexation Area" ○ Require intergovernmental agreements. • Require CWPPs to identify "potential annexation or incorporation areas" in the six counties. • Authorize a utility tax surcharge for the transition period – requiring voter approval like assumption of indebtedness. • Add new tools so a variety of approaches are available to match the variety of situations. In doing this, keep responsibility and authority together. • Create separate methods for large and small annexations. • Don't put land in the UGA unless a city is willing to annex it. • Put a moratorium (urban holding overlay) on expanding the UGA unless it will be annexed with urban services. • SHB 1801 – authorize annexation based on commitment to provide water and sewer. • Limit standing to challenge annexations, except BRB decisions, to superior court. • Need a statutory mechanism for an area that won't incorporate and a city will not annex. • AWC and WSAC bill with benefits of skipping the annexation/BRB process if an interlocal is entered into between the

<ul style="list-style-type: none"> • Interlocal agreements are not being used fully. • Cities can't get revenues from property taxes for two years after annexation occurs. • A county's development review costs are lost if annexation occurs before a permit is issued. • The double petition method of annexation is not being used (only aware of one instance) because it is hard for cities to get the support of landowners <u>and</u> registered voters. • Need a way to deal with an area that won't incorporate and that a city cannot take on. • Annexation and incorporation does not reduce the level of permit activity in the UGA. • Petition verification required by the county auditor is onerous for a city. • Contractual problems with transfer of services under interlocal agreements. • Liability issues under an interlocal agreement when permitting is delegated. 	<p>city and county</p> <ul style="list-style-type: none"> • Change the requirement for the petition method of annexation from 75 percent of assessed value for non-code cities and towns to match the 60 percent requirement for code cities. • Make the petition method requirement for both code and non-code cities and towns to be 51 percent of assessed value (simple majority). • Revise 1755 to require cities to do extraterritorial planning for urban islands that the county must match in its planning regarding zoning and density. • Make it easier to annex under 1755 by eliminating the referendum requirement. • Eliminate all unincorporated islands on a date certain. • Provide incentives for entering into a interlocal agreement, e.g.: <ul style="list-style-type: none"> ○ If sign an interlocal with a public process, can annex without a referendum ○ Don't identify what should go in an interlocal agreement, leave that up to what the county and city need ○ Funding • Amend the Interlocal Cooperation Act to address contractual and liability problems.
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Political issues	
Barriers	Strategies
<ul style="list-style-type: none"> • Elected official opposition and reluctance to enter into interlocal agreements. • County/city differences in densities and land uses. 	<ul style="list-style-type: none"> • SB 2593 re interlocals
Citizen opposition/apathy	
Barriers	Strategies
<ul style="list-style-type: none"> • Voter apathy. • Many communities have a strong local identity where citizens have no relationship with the annexing jurisdiction. • The process can create hostility among neighbors. <p>Residents want to stay “rural.” They expect (correctly or incorrectly) that taxes will go up with annexation. They don’t want changes in their utility service and rates, charges for mandatory garbage collection, or stricter animal control ordinances.</p>	<ul style="list-style-type: none"> • Improved public education.

Appendix J

Interlocal Agreement Case Studies

Clark County and the City of Vancouver

Clark County and the City of Vancouver have successfully worked out annexation agreements in the past related to issues raised during this study, particularly the transition of services, costs, and revenues. These agreements are based in joint planning efforts dating back to the 1970s and 1980s that established frameworks for the future land use outside of Vancouver and the delivery of services such as parks, fire, water, and sewer. Rather than adopt a model interlocal agreement that specified how all future annexation issues would be addressed, the joint planning efforts provided parameters and a starting point for negotiations on individual annexations.

In 1993, Clark County appealed to the boundary review board (BRB) to invoke jurisdiction on the city's proposed annexation of the area around the Vancouver Mall. The county was concerned with the significant loss of sales tax revenue from the mall and surrounding commercial uses. With assistance of the BRB, the city and the county reached an agreement to transition sales tax revenue from the county to the city at a rate of 20 percent per year over five years.

In 1997, Vancouver was annexing about nine square miles on the east edge of the city. The Clark County Sheriff's Department appealed to the BRB to invoke jurisdiction. Annexation of this area would mean public safety responsibility would shift to the city, potentially leading to a reduction in force for the Sheriff's Office. As a result of the appeal, the BRB doubled the size of the annexation area and the city and county negotiated an interlocal agreement that phased in city services over three years. The phasing allowed the city needed time to adjust and staff up, and the county needed time to adjust and staff down.

Another example of cooperation between the city and county is in the provision of parks. Because of their previous joint planning efforts, the county collects park impact fees on new development in the city's urban growth area. The city uses those funds to acquire land that will be developed as a neighborhood park when the area annexes into Vancouver. A map of Vancouver's annexation history follows.

The county and city are developing guiding principles to use in future annexation agreements. The principles are comprehensive and address the transition of funds, costs, services, responsibilities, personnel, facilities, and equipment. The principles are based on the goal of a "balanced annexation."

A balanced annexation has both fiscal and land use components, and each component has short- and long-term ramifications. An annexation that is fiscally balanced has an equivalent loss of revenue (from tax base, Road Fund property taxes, real estate excise tax, sales tax, etc.) and reduction in service expense, generally measured against one or two budget cycles of two years per cycle. Conversely, to the city, a fiscally balanced

annexation has a gain in revenue that is equivalent to a gain in service expense, within the noted budget cycles. A balanced annexation also has a magnitude of revenue change and service change that allows both the county and the city to provide uninterrupted services to the public within a two-year budget cycle.

A balanced annexation's revenue and service change is measured against the level of service provided by the jurisdictions. Because the level of service provided by the county or the city may be significantly different, balance requires an assessment of the impact on both jurisdictions and the recognition that an annexation that is balanced for one jurisdiction may not be balanced for the other.

For the pattern of annexation to be considered balanced as regards land use, the land uses in the portfolio of annexations undertaken by a city over a ten-year period should reflect the proportions of land uses in the UGA as a whole, as measured by the planned buildout of the lands.

Interlocal Agreement Between Kitsap County and the City of Bainbridge Island, City of Bremerton, City of Port Orchard, and City of Poulsbo (Kitsap County Master Agreement)

In the mid-1990s, annexations in Kitsap County had become a highly contentious issue. As a result, local governments in the county began to consider the need for an interlocal agreement. Staff from the county and the four cities met and discussed the subject matter an agreement would need to cover. They concluded that, in order to ensure the fairness of the agreement and avoid any questions of equal protection, all of the county's general purpose governments would need to be involved. They also concluded that the final document would need to include some provisions that they did not have the authority to agree to. Consequently, after parts of the agreement had been worked out, the negotiations were taken over by elected officials from the five jurisdictions who finalized the remaining terms.

Negotiations were mediated by the Kitsap Regional Coordinating Council. For a number of reasons, including the previous atmosphere of conflict, the inherent complexity of a five-way negotiation, and the change of representatives from staff to elected officials, negotiation of the agreement went on for several years. The agreement went into effect as of September of 2001.

Like the principle of a "balanced annexation" developed in Clark County, the Kitsap County Master Agreement addresses both fiscal and land use issues. The land use issues are mainly addressed through commitments to negotiate further agreements as the need arises. They are also addressed indirectly by the agreements' fiscal provisions. Fiscal issues are addressed more directly.

The agreement includes three major commitments on fiscal matters. The first is an agreement that in the future, before the county constructs any "major infrastructure improvement" within a city's UGA, the city and the county will negotiate an interlocal agreement providing for the city to reimburse the county for some part of that investment, if the area is annexed within a certain time.

Second, the agreement provides for a phased transfer of the revenue produced by an annexation area. Under this "soft landing" provision, the county's revenue loss is calculated by a specified formula, and the city pays the county 75 percent of that revenue in the first year after annexation, 50 percent in the second year, and 25 percent in the third. This provision covers revenues from the local retail sales tax, the ad valorem property tax, and the admission tax. It has been used only once since the agreement became effective, in a small annexation by the City of Poulsbo. However, a number of additional annexations where it will be used are expected within the next few months.

Third, in the event of a major land use action that brings new retail activity in the unincorporated part of the UGA, the agreement provides for the county to share the resulting revenue with the city. When a business meeting certain criteria relocates from the city to the unincorporated UGA, the revenue transfer is phased in over three years, on the same schedule as the "soft landing" provision, above. For certain types of new

development in the unincorporated UGA, the county simply pays the city 50 percent of its estimated revenue loss for the first three years.

Since the agreement became effective, there has been only one land use action that triggered this third provision. Overall, the amount of revenue that has been redirected under the agreement is quite modest. However, the existence of the agreement has had an important impact on relations among the jurisdictions in the county. Both the terms of the agreement and the negotiation process itself have led to a “thaw” in relations that were previously more adversarial.

While none of the special purpose districts in Kitsap County are signatories, the agreement is, in part, a tool for creating the UGA management agreements required by Kitsap County’s County-Wide Planning Policies. These UGA management agreements generally involve the special purpose districts in areas they affect. (See County-Wide Planning Policies, Element B, Policies for Urban Growth Areas, Sections 2 and 3, and Appendix C, Urban Growth Area Management Agreements)

In considering the agreement’s usefulness as a model for other jurisdictions, participants noted some possible disadvantages of the single-agreement approach. A negotiation involving all the general purpose governments in the county may help to forestall later conflicts, but in a county with a larger number of cities, it could be unmanageable. Also, Kitsap County’s cities are separated either by water (Bainbridge Island) or by land that is not designated as UGA. Consequently, the agreement needed to address only their relations with the county, and not their relations with each other.

Snohomish County and the City of Everett (Airport Road Annexation)

The Airport Road annexation area was a large unincorporated island. At the time of annexation, there was a significant residential and commercial development in progress within the annexation area. An annexation interlocal agreement was needed to provide for an orderly transition of permitting authority and responsibility. In this respect the agreement has generally been successful.

Under the agreement, the county is to complete processing of building permits for which complete applications were filed before the effective date of the annexation. The city agrees to adopt the county’s permitting code for those permits. Any permit applications received after the annexation date will be processed under the city’s code. For land use permits, the agreement provides for the city and county, before the annexation takes place, to review pending land use permits and negotiate another agreement for their transfer.

It has been suggested that including a more detailed plan for the transfer of land use permits would have improved the original agreement. Other matters that it might have been advantageous to address include the transfer of records and information for code enforcement actions in progress at time of annexation, interjurisdictional sharing of mitigation fees, and some way of addressing impacts to the city from new development in the unincorporated UGA.

The Airport Road agreement also provides for the transfer of records and the transition of roads and transportation systems, surface water management systems, and police and fire services.

This is one of a series of interlocal agreements in a roughly similar form that Snohomish County has negotiated with its cities. In a situation where the primary concern was with the revenue impacts of annexation, Snohomish County and the City of Arlington entered into an annexation agreement in which the city agreed to reimburse the county for capital improvements in the last five years that were paid for by bonds. A list of such improvements was included in the agreement, which also included an amortization schedule. If any of the specified improvements were annexed within the time laid out in the agreement, then the city owed the county the money specified. This was agreed to be necessary because the county had issued bonds with an expected revenue stream that was interrupted by the annexation, and because the improvements benefited the local residents they should continue to help pay off the bonds.

The county has negotiated annexation-specific agreements with some cities, and with other cities has formed master annexation agreements that apply to all annexations taking place while they are in force. Some of the annexation-specific agreements and all of the master agreements include some provisions that either provide for or in some cases require the negotiation of further agreements. This mechanism allows the parties to move forward with the master agreement covering areas they have agreement on while negotiations are in progress for elements that need a closer examination.

At present, the county has master annexation agreements with Gold Bar, Sultan, Snohomish, Marysville, Arlington, and Stanwood. Additional master agreements are being negotiated. In the course of these negotiations, the county has developed a model agreement that covers a wide range of issues that come up in annexations under varying circumstances. When a new agreement is needed, this model can be adapted to the specific needs of a jurisdiction with a reduced time commitment in the negotiation process.

In considering the agreement's usefulness as a model for other jurisdictions, Snohomish County staff noted that, for both parties, negotiating a master agreement is not much more time-consuming than creating an annexation-specific agreement. As a consequence, they have, wherever possible, stopped doing annexation-specific agreements in favor of master agreements.

None of the agreements currently in progress involve special purpose districts.

Interlocal Agreement Between the City of East Wenatchee and Douglas County

Like the Kitsap County agreement, the agreement between the City of East Wenatchee and Douglas County provides for a phased transfer of revenues (though in this case, only from the sales and use tax). It also provides for partial reimbursement of capital expenditures on roads and transportation systems; for records transfer; and for the transition of building and land use permitting, code enforcement, roads and transportation

systems, capital facility projects, police and fire, and stormwater management systems. In addition, the agreement includes commitments to form three further agreements: one for the transfer of staff when an annexation reduces the county's need while increasing the city's, one for the transition of capital facility projects, and one for the development of a unified city-county comprehensive plan and development regulations.

City and county staff confirm that, in general, the agreement is working well, although the agreements for staff transfer and unified planning have not been completed as originally scheduled. The provisions for capital expenditure reimbursement are particularly useful, as a way of breaking the infrastructure investment stand-off that might otherwise develop in the unincorporated UGA.

In considering the agreement's usefulness as a model for other jurisdictions, county staff note that the agreement does not specify how applications will be handled for a proposed development that lies partly in the city and partly in the unincorporated UGA. This omission has created some difficulties. City staff note that while the capital expenditure reimbursement provisions have been useful, the repayment schedule specified in the agreement is also short enough to have prevented at least one annexation.

In addition, the City of East Wenatchee is somewhat unusual in that water, sewer, and fire services within the city are provided entirely through contracts with special purpose districts. As a consequence, annexations do not affect the service areas of these districts, and none of the special purpose districts were affected by this agreement.

Other Agreements

Interlocal agreements concerning annexations have also been negotiated in Thurston, Skagit, Lewis, and Whatcom counties. Thurston County has formed agreements with the cities of Lacey, Olympia, and Tumwater; Skagit County, with Anacortes and Mt. Vernon; Lewis County, with Centralia; and Whatcom County, with Blaine, Bellingham, Everson, Ferndale, Lynden, Nooksack, and Sumas.

The full text of agreements has not been included here. However, the following documents can be found on the CTED Annexation Study Web page:

www.cted.wa.gov/growth/annexationstudy

- Master Interlocal Agreement Between City of Vancouver and Clark County for Post Annexation Delivery of Services
- Clark County/City of Vancouver Finance and Administration Agreement
- Interlocal Agreement Between Kitsap County and the City of Bainbridge Island, City of Bremerton, City of Port Orchard, and City of Poulsbo Concerning Revenue Sharing Upon Annexation and In Conjunction With Major Land Use Decisions Within a City's Urban Growth Area
- Proposed Revisions to the Kitsap Countywide Planning Policies and Population Distribution 2005-2025
- Snohomish County Model Interlocal Agreement

- Interlocal Agreement for Airport Road 80 percent Annexation Between the City of Everett and Snohomish County Concerning Annexation Within the Southwest County Urban Growth Area
- Interlocal Agreement Between the City of East Wenatchee and Douglas County Regarding Annexation Delivery of Services and Revenue Sharing
- Revenue Sharing Agreement Between Grant County and the City of Moses Lake